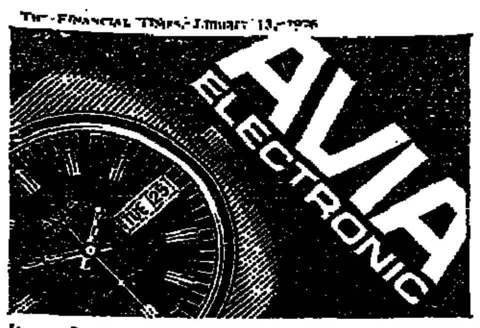

FINANCIAL TIMES

No. 26,867 Tuesday January 13 1976 **10p

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NEWS SUMMARY

GENERAL

Bombs found near UN

Three pipe bombs were found yesterday in a New York subway entrance adjacent to UN Headquarters.

One of the bombs was timed to explode half an hour before the Security Council was due to open its Middle East debate—and, as it happened, when Dr. Donald Coggan, Archbishop of Canterbury had an appointment with Dr. Kurt Waldheim, UN secretary-general.

In Beirut, a head-on confrontation was feared between the Lebanese Army and Palestinian guerillas. **Page 5.** In Cairo, Egypt warned that it would intervene were Israel to invade southern Lebanon. In London, about 100 Libyan students who yesterday occupied the Libyan Embassy in protest against violence used to quell recent disturbances at Benghazi University, said they would sit-in for 48 hours.

Iceland 'may break with UK'

As Mr. Olafur Johannesson, Icelandic Justice Minister and Acting Foreign Minister, said in Reykjavik yesterday that everything pointed to a breaking-off of diplomatic relations with Britain in the next few days, Mr. Tomas Tomasson, Icelandic Ambassador to Nato warned that his country would reconsidered its membership if British warships did not leave Icelandic water soon. **Back page**

Kaunda warns on Angola

President Kaunda of Zambia yesterday left the OAU summit on Angola in Addis Ababa and flew home declaring that if Africa failed to agree over recognition of the Soviet-backed MPLA it would be handing over the "destiny of Africa to the super-powers." In Luanda the MPLA pledged itself to fight on irrespective of OAU recognition. **Page 5**

Morse clue to missing tanker

U.S. Air Force aircraft searching for the missing Liberian-registered Norwegian oil-ore supertanker Berge Istra, yesterday reported faint morse distress signals south-east of Mindanao in the Philippines. First two letters of the signals were those used by Liberian-registered ships. **Insurance details, Page 9**

Dining car cheats jailed

Seven dining car stewards and cooks on trains between Kings Cross, the North-East and Scotland, who stole £66,000 from British Rail, were jailed at the Old Bailey yesterday for a total of 20 year. One man who stole £20,000 from BR was sentenced to four years.

Agatha Christie dies at 85

Dame Agatha Christie, the detective story writer, who also achieved success as Mary Westmacott, the romantic novelist, a name she kept secret for more than 20 years, died yesterday at her Wallingford, Oxfordshire, home. She was 85. **Obituary Page 2**

Briefly . . .

Prince Charles began a four-week course at Portsmouth yesterday before taking up command of the minesweeper Bronnington.

Tigers have killed 14 people in West Sumatra during the past nine months.

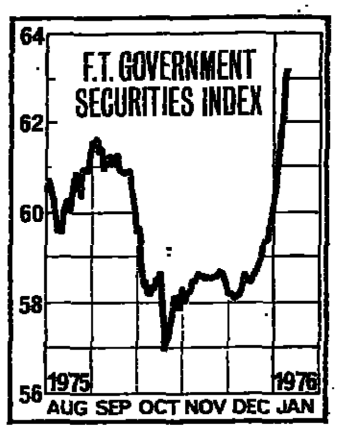
Turkish couple who had £1,468 between them when they shoplifted from two London stores were fined a total of £800 with £20 costs yesterday.

Representatives of companies with outstanding records in export achievements are to be invited to Buckingham Palace receptions.

BUSINESS

Gilts gain up to 1⅛; Wall St. up 11.26

● **GILTS surged forward after highly favourable assessments of the two new "tap" stocks. Rises ranged to 1¼ and the Government Securities index**



gained 0.33 to 63.15, making an uninterrupted rise of 4.74 over the past 17 trading days.

● **EQUITY leaders succumbed to profit-taking, bringing the 30-share index down 7.2 to 394.4. However, secondary issues were firm and the FT-Actuaries All-Share Index gained 0.8 per cent. to 167.65, a fresh 1975-76 peak.**

● **GOLD was unchanged at $136¼.**

● **STERLING gained five points to $2.0340; its weighted depreciation was unchanged at 30 per cent. The dollar's widened slightly to 2.10 (1.99) per cent.**

● **WALL STREET closed 11.26 up at 922.39 on optimism ... economic expansion.**

● **THE RISE** in the wholesale output price index slowed to an annual rate of 14-15 per cent. in the closing months of 1975, compared with 25-26 per cent. earlier in the year. **Back Page**

Bank lending rates down ½%

● **BANK** lending rates were cut by ½ per cent. yesterday when the other big clearing banks followed Lloyds down to 10½ per cent. Some of the banks were thought to have considered an even bigger reduction. **Back Page**

● **BURMAH OIL** has received a £40m. advance payment from the Government as part of a deal transferring the company's Ninian Field stake in the North Sea to the British National Oil Corporation. **Page 8**

● **SIR GERALD THORLEY**, MEPC's chairman, has been appointed the company's stopgap managing director on the resignation of Mr. Peter Anker. **Page 9 and Men and Matters, Page 16**

● **COPPER** cash wirebars gained £10.25 to £597.50 a tonne yesterday on the London Metal Exchange despite a rise in warehouse stocks of 4,325 tonnes, double the expected rise. **Page 27**

● **EUROPEAN** and U.S. banks are studying the terms of agreements with the Greek Colocotronis shipping group, which owes them around $316m., designed to see the company through a liquidity crisis caused by the depressed tanker market. **Back Page**

● **ROMANIA** has agreed to compensate Britain £14.5m. in settlement of debts outstanding since 1948.

COMPANIES

● **YARROW** pre-tax profit for the year to July 1975 fell to £6.37m. (£7.65m.), including the figures from the shipbuilding side. There is no final dividend. **Page 18 and Lex**

● **J. H. VAVASSEUR'S** net loss for the year to last July came to £3.9m. It hopes to leave the Bank of England's "lifeboat" by the end of the year. **Page 18**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treasury 9¾pc 1999	£71⅛	+ 1⅛
Electric 3½pc 1976-79	£86¼	+ ⅞
Bilton (P.)	168	+ 6
Border & Southern	246	+ 8
Carr's Milling	38	+ 6
Currys	110½	+ 7½
Fisher (A.)	12	+ 5
Gordon & Gotch	62	+ 5
Lake & Elliot	73	+ 6
Lampa Secs.	126	+ 9
Lex Services	26½	+ 3½
News Int.	143	+ 7
Pearson Longman	92	+ 6
Scot. Mort. Inv.	117½	+ 12
Sime Darby	111	+ 6
Stanley (A.G.)	88	+ 7
Startrite	41	+ 5
TCK	110	+ 8
Triplex Foundries	38	+ 6
Union Discount	383	+ 10
Wigfall (H.)	187	+ 9
De Beers Defd.	330	+ 12
Pancontinental	940	+ 20
Utah Mining	975	+ 25

FALLS		
Barclays Bank	315	− 7
Boots	142	− 6
Dunlop	74	− 4
ERF	23	− 4
GKN	272	− 6
MEPC	94	− 4
Marks & Spencer	103	− 5
Nat. Westminster	260	− 7
Plessey	75	− 4
Waddington (J.)	102	− 12
Guthrie	175	− 7
BP	603	− 12
Shell Transport	294	− 10
East Drie.	870	− 30
Hamersley	190	− 10
St. Helena	£21¼	− ½

Rees gives month to find Ulster formula

BY JOHN BOURNE, LOBBY EDITOR

THE GOVERNMENT has allowed four weeks for the Northern Ireland Constitutional Convention, which will be reconvened on February 3, to consider three issues designed to achieve eventually some representation in the Government of the province for the Roman Catholic minority.

This was announced to a packed but subdued House of Commons yesterday by Mr. Merlyn Rees, Northern Ireland Secretary.

The formula was given the blessing of the Conservative Opposition and the Liberals, while Ulster Unionist MPs refrained from any major criticism.

But many MPs believe that the deadline is a desperate gamble by the Government to try to concentrate the minds of the bitterly divided political parties in Belfast on agreeing to a minimum form of co-operation which might finally develop into "power sharing."

The three issues for the reconvened Convention will be:

● The question of committees at Stormont as "part of a wider and acceptable constitutional framework providing adequately for partnership and participation."

● The question of more widespread acceptance for the Convention's proposals.

● The question of whether progress could best be made on an evolutionary basis.

Mr. Rees stressed that the Government wanted the Convention to consider whether progress could best be made by setting up a system of Government which, though not temporary, was capable of evolving over a period into permanent and agreed constitutional arrangements.

This passage is interpreted in Whitehall as including a reference to Mr. William Craig's "first step" suggestion last year—rejected by other Protestant leaders—for a temporary emergency coalition involving the Roman Catholics.

The Minister argued that if the prime requirement for a more widespread acceptance of some proposed system of Government and for some form of acceptable partnership and participation could be met, "then we could be in sight of a Government within Northern Ireland which is common ground for us all. I hope that the Convention can make progress on these matters within a period of four weeks."

He said that in spite of the matters on which the Convention had agreed, support from both sides of the community was not forthcoming for the total system proposed in the report.

"The Government share with the Convention the strong desire that direct rule may be brought to an end and that a new system of Government may be established within Northern Ireland.

"But the report does not, in the view of the Government, command sufficiently wide spread acceptance throughout the community to provide stable and effective Government."

Significantly, Mr. Rees did not use the phrase "power sharing," which has so much aroused the hostility of the Protestants.

Instead he repeatedly described his goal as "partnership and participation."

The distinction seems mainly verbal, because the minister stressed that the Ulster Unionist's majority recommendations in the Convention's report last Autumn for limiting Roman Catholic participation to the membership of assembly committees would not be enough.

Mr. Rees went out of his way to conciliate the Unionists, not only by dropping power sharing from his vocabulary but also by not once using the word "rejection" when referring to the Government's reactions to the main conclusion of the Convention's report—that Northern Ireland should be governed by the majority Protestant parties.

Another gesture to the Protestant Loyalists was Mr. Rees's announcement that the Government did not now consider it necessary to have an all-Ireland council involving the Irish Republic.

Mr. Rees emphasised the large number of points in the Convention's report which the Government could agree to, provided agreement on partnership and participation could first be reached. "We have accepted that threequarters of what they have proposed."

The Government agreed in principle to:

1—The return of power to a Northern Ireland Government in the form of a separate one-chamber assembly with power to legislate for and administer a wide range of matters, including education, roads, transport, housing, industry and commerce.

2—The need for a loyal oath broadly in the terms recommended by the Convention's report.

An essential prerequisite for a return to Northern Ireland of responsibility for law and order, said Mr. Rees, would be for all members of a Northern Ireland Government to support the security forces publicly.

The mainly Roman Catholic Social Democratic and Labour Party would thus have to reconsider its refusal so far to give the Royal Ulster Constabulary such public support.

On finance, Mr. Rees said that it would be the Government's intention to give Northern Ireland as wide a discretion as was consistent with maintaining the unity of the U.K. economy and retaining for the Government the powers necessary to manage the economy as a whole.

"These powers must include the power to determine the total amount of public expenditure in the U.K., the proportion of different categories of expenditure within that total and, after appropriate consultation,

Continued on Back Page

Editorial Comment, Page 16
Parliament, Page 14

TUC seeks Government deal to limit unemployment

BY JOHN ELLIOTT, LABOUR EDITOR

TUC LEADERS are about to launch a campaign to tie the Government down to a 600,000 unemployment level within two or three years in return for trade union co-operation in pay policy and in the Government's new industrial strategy.

This emerges from a private TUC document now circulating among senior union leaders, which opens the way for talks on the next stage of pay policy this summer. But the document also presents a highly critical analysis of the proposed industrial strategy, and also warns the Government that it must be more open about its plans if it is to gain public understanding.

Although not committing itself to any figures, the TUC estimates that an 8.6 per cent. growth rate would be needed in 1977 to move unemployment downwards to to a 600,000 unemployment figure by 1978. But, significantly, the TUC does not mount a major challenge to an estimate of 1.4m. unemployed at the middle of this year.

Union leaders are becoming restive over the level of unemployment and many fear that serious opposition to their co-operation with the Government will start to emerge at their annual conferences this summer.

Yesterday, Mr. Danny McGarvey of the Boilermakers, a loyal Labour Party supporter who is close to Mr. Jack Jones of the Transport Workers, wrote in his union magazine: "It is time that the Government wakened up to the sense of disillusionment that is beginning to permeate its supporters through the increase in unemployment, and they must never forget that thousands now unemployed helped to put them in power."

Mr. McGarvey and other members of the TUC Economic Committee will examine the TUC's document, which amounts to an initial approach to the TUC's annual economic policy review, to-morrow morning. They will also see documents prepared for to-morrow afternoon's meeting of the National Economic Development Council on the Government's industrial strategy, which includes a keynote policy presentation from Mr. Denis Healey, Chancellor of the Exchequer, and Mr. Eric Varley, Industry Secretary.

Stressing that their aim is a "high-wage, high-output full employment economy," these two senior Ministers go on to explain why they have not included economic growth targets in their strategy.

"In the past there have been attempts to raise the rate of growth by choosing a high figure and asking industry to plan on that basis," they say. "We have rejected that approach for reasons which are familiar to the council—as soon as the target rate begins to look over-ambitious, the whole exercise is called in question."

They add that they have therefore chosen a "less dramatic" approach which "reflects our conviction that a significant improvement can be achieved only by action at the level of the firm."

This, the TUC accepts in its document, involves trade union co-operation. But the TUC warns that the strategy must therefore "carry conviction" with union members, and adds: "This means above all that it must be a strategy which offers a high chance of reaching the sort of employment improvements outlined." The strategy could commend itself only as a "means of maintaining employment and increasing prosperity in the manufacturing sector."

Demonstrating some scepticism about whether this will happen, the TUC faces up to the problem that the strategy will cause unemployment in some industries, and asks: "If employment is being reduced in certain sectors, where do we want those made unemployed to be re-employed? Where are the new manufacturing jobs?

"It is no good squeezing people out of certain industries unless they are going to be employed more productively elsewhere. It cannot be part of the industrial strategy to create jobs less productive than before, or to allow substantial unemployment."

Complaining that the Government is not being open enough about its public expenditure plans, the TUC also asks: "What are the public expenditure implications of giving priority to manufacturing industry in the industrial strategy?" It says it objects to the fact that it has not been involved with the Government in tripartite talks on the options involved in this.

As part of an overall package, the TUC also accepts that "consideration needs to be given on a continuing basis to reducing the rate of inflation," confirming its willingness to be involved this summer, and maybe in following years, with the Government on policies involving pay, prices, taxation, public expenditure and unemployment.

Parliament, Page 14

New boost for investment soon

BY RICHARD EVANS, LOBBY CORRESPONDENT

A FURTHER stimulus to industrial investment is to be announced by the Government this week, probably at to-morrow's meeting of the National Economic Development Council.

Mr. Denis Healey, Chancellor of the Exchequer, after reporting to the Commons on last week's International Monetary Fund Meeting in Jamaica, told MPs that the measures to help investment would be in addition to the £300m. announced in the December economic package.

The new stimulus, which could amount to £50m., will be under one of two heads—accelerated investment projects, or the modernisation of industry schemes.

Modernisation schemes have already been targeted for three industries (ferrous metals, machine tools and clothing) and the new measures could follow a similar pattern.

The stimulus is part of the Chancellor's campaign to ensure that U.K. manufacturing industry can weather the present recession successfully and compete effectively when world demand recovers.

It was stressed after the December package that further measures on the lines of the counter-cyclical steel stockholding scheme were under consideration for other industries and the NEDC meeting, to be chaired by Mr. Healey, will be the obvious forum to announce details.

Mr Healey told the Commons that the total loan facility for the U.K. approved by the IMF was £975m.. Of this £550m. was a drawing under the oil facility and £425m. the drawing of the first credit tranche.

Two letters will be published by the Government to-day covering applications for borrowing from the IMF. They will include details of Government policy on the balance of payments and public expenditure.

Parliament, Page 14

Minister warns on violence

Bomb explodes in Madrid as strikes spread

BY ROGER MATTHEWS MADRID, Jan. 12.

A BOMB slightly damaged a Madrid suburban railway line this morning, and another seven with timing devices were defused as labour unrest in the Spanish capital continued unabated. At least 100,000 workers are affected by strikes or lockouts.

Had the time bombs on the railway line exploded during the morning rush-hour, the threat of heavy casualties would have been considerable. This is the first time during recent troubles that there has been a hint of violence. The line was re-opened this afternoon, having been shut for eight hours.

Sen. Fraga Iribarne, the Interior Minister, warned this morning that illegal groups who try to provoke violence would meet with the full weight of the law.

Sen. Antonio Garrigues, the Justice Minister, said he had not taken office in order to open the doors to subversion. The Government's intention was not to dismantle the Franco régime but to update and improve it.

'Subversive'

Government officials say they are convinced that the strikes and demonstrations, which built up steadily throughout last week, are the work of "subversive" political groups who want to provoke a full-scale confrontation with the régime. There have been enough warnings in the past 24 hours to suggest that an even tougher Government response is going to be forthcoming.

In the southern industrial zone of Madrid there are now at least 35,000 workers locked out, following strike action. These involve eight companies which have closed their doors. More factories, especially in light engineering, were hit for the first time by walkouts to-day.

Construction workers have also joined in, with many of the city's main building sites deserted. Unofficial estimates say 50,000 men are taking part, others putting the figure higher at 70,000.

Many of the main private banks were at a standstill for most of to-day, with strikes starting at mid-morning. Several main banking halls were taken over for bank staffs meetings, where workers pledged not to return to their desks until pay demands were met and colleagues arrested over the weekend had been released.

A similar picture was reported in banks from several key provincial cities. A few insurance companies were also affected. Workers from all sectors are linking their pay claims to demands for democratic liberties and the right to have free trade unions.

The grim industrial suburb of Getafe, south of Madrid, is virtually at a standstill, with some 18,000 workers locked out. Shops in the main street closed at midday as a demonstration of solidarity. Groups of workers stood on many street corners, and the para-military Guardia Civil were on duty at potential trouble spots.

In central Madrid, police were in almost constant action trying to prevent workers' demonstrations. On four occasions they used tear gas, smoke bombs and baton charges. The main shopping street, Gran Via, was being patrolled, and this afternoon there was a large police presence in the main banking area and outside the central post office.

Riot police charged postal workers, who have been going slow, as they left the main building, knocking several to the ground.

Telephone workers in several parts of Spain also staged partial stoppages, and the elected negotiating committee has shut itself into offices of the company in Madrid, insisting that it will not leave until a new wage deal is granted.

Some of the 25 or so shop stewards arrested early on Saturday have now been released, but there are thought to have been a number of subsequent detentions.

Students

At a Press conference given by representatives of the 20,000 Standard Electric workers locked out, it was stressed that they only had money to maintain themselves for a few days more. Other workers are in the same position, though in working-class areas the smaller food shops are giving credit.

University students joined in the conflict to-day on the first full day of term, holding meetings and demonstrating on the campus. The Government, having announced last week that riot police were to be withdrawn from the university, only managed to keep to this until mid-day, when large forces were sent in to break up the demonstrations.

£ in New York

—	Jan. 12	Previous
Spot	$2.0315-0320	$2.0305-0315
1 month	1.02-0.97 dis	0.85-0.80 dis
3 months	2.48-2.43 dis	2.45-2.40 dis
12 months	7.85-7.75 dis	7.85-7.75 dis

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FEATURES

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LOMBARD

Time wasting in monetary reform

BY C. GORDON TETHER

All those twenty Finance Ministers who attended last week's international monetary conference in Jamaica, we are told, went away happy with the package of new measures that emerged from the talks. Which only goes to show, one would have thought, how easily satisfied those responsible for guiding the world's monetary footsteps tend to be these days.

For, notwithstanding the semblance of calm that has recently descended on the currency markets, the world stands in increasingly urgent need of comprehensive monetary reform. And it is not going too far to say that the Kingston conference concerned itself with little more than tackling a few aspects of the problem that could no longer be ignored.

This is true, for example, of both the agreement governing the liberalisation of official transactions in gold and that related to the scheme for increased surveillance of exchange market policies to bar "dirty play" in the floating rates game.

Quite clearly, the almost total demonetisation of gold that the Americans managed to bring about by closing the gold window in 1971 and then insisting that official traffic in the metal could take place only at a totally unrealistic official parity could not have been sustained for much longer. Indeed, the increasing use of gold—valued at or near market prices—as collateral for international lending transactions shows that remonetisation was already getting under way.

Had to be done

Since there was no possible *international* justification for continuing to obstruct it, the new arrangements agreed at the Kingston talks would almost certainly have come into being during the present year even in the absence of Group of 20 sanction.

Again, the constant tendency for the values of major currencies to fluctuate widely in relation to one another—first one way and then the other—for reasons that, for the most part, had no connection whatsoever with the behaviour of purchasing power parity relationships has become a major scandal. Something simply had to be done about it.

What is important in relation to the international monetary reform issue is not what is being done about it but what is not. Thanks to the sobering impact of the crisis that has hit the world, the forces that precipitated the economic turbulence of the past year or two are less in evidence at the moment. Inflation rates have been falling back from the phenomenal levels they recently attained. And, since the U.S. balance of payments has moved back into surplus, international capital markets are no longer being inundated by highly explosive inflows of American dollars.

But all the indications are that the slump has done no more than buy us some temporary relief from these and similar afflictions. And it is, therefore, essential that we should be making the utmost use of this lull to lay the foundations for a stable and durable international monetary framework.

A fast pace

So far as can be seen, precious little is being done under this heading at the moment. The dollar has been theoretically replaced by the IMF's Special Deposit Receipt as the pivot of the international liquidity structure. But that is essentially a distinction without much of a difference.

The formula used for valuing the SDR means that reserves *denominated in this form* lose value at the average pace of some 14 currencies, rather than one. That, however, does not alter the fact that anything expressed in SDR's is still exposed to year-by-year depreciation at a relatively fast pace. Which inevitably means that the SDR constitutes a weak point in the international monetary system at the very place where it most needs to be strong.

Nobody, it seems, is talking about that. And this although it has the greatest relevance to such crucial matters as how the oil-producing countries are to be discouraged from concluding that, since the proceeds of their payments surpluses are now destined to suffer serious erosion in whichever form they are held, there is a strong argument for keeping their oil in the ground.

Another highly important aspect of the international monetary reform issue that is being similarly neglected concerns the role of the Euro-currency market in helping to produce excessive expansion in the world money supply.

It has been explained that the unwillingness of the Kingston conference to do more than pay lip service to the case for a general return to the par value system was based on "recognition that monetary stability depends on underlying international economic and financial conditions rather than the reverse." It is surely a case of which comes first—the chicken or the egg? How are we ever *going to create underlying international* economic and financial conditions of the kind required while providing so much scope for disorderliness to do its worst.

WINE

The black fluid of Cahors

BY EDMUND PENNING-ROWSELL

IT WAS the English, they say down in the Lot, who in the 18th century called their local wine "the black wine of Cahors," and the name has stuck, though the wine is no more black than *vin gris* is grey. It can nevertheless be exceptionally dark-coloured, as I witnessed last autumn when a grower knelt down on top of his cement vat and drew a sample of his '74 from a hole in the top. *"Un vrai vin noir,"* he murmured with satisfaction. It was tough, tannic and highly concentrated in flavour; but then it had yet to be aged in oak cask. The reason why Cahors wines achieved this black reputation in times past was that they were often grown on the sparse, stony plateaux, known as the *causses*, that line the winding valley of the Lot. Some wine is still grown there, and in bad years the yield may be as little as five or ten hectolitres per hectare, compared with the normal 45 allowed under the *appellation contrôlée* regulations. The result is a deep, dark, wine, scarcely commercial unless blended with more supple stuff.

Export tax

Although the English were importing Cahors as early as the 13th century, they did so against the powerful opposition of the Bordelais, who tried every kind of manoeuvre to hinder the sale of the wines from what was known as the Haut Pays that lay to the east and south-east of what is now the Gironde: notably Cahors, Gaillac and the Haut Languedoc. Every autumn they prevented the young wine being shipped down the rivers Lot and Garonne until they themselves had had every chance to sell their own produce. An export tax was imposed on these wines, and they even forced the Cahors growers to ship in smaller barrels than used in Bordeaux, thus antagonising buyers who thought they were being cheated. Not that all this stopped the Bordeaux merchants from blending Cahors in with red bordeaux in order to improve the colour and body of their own wines.

Nor has it ever been easy for the Cahors *vignerons* since these restrictions were lifted at the French Revolution. As visitors to the splendid Lot Valley will know, this is much more severe, austere country than the softer, luxuriant valley of the Dordogne to the north. The phylloxera hit the region much harder economically than in the Gironde, and so did the successive economic recessions up to the Second World War. Within the past 100 years the population of the department has been halved.

There was even a chance after the last war that there would be no more Cahors wine, although the cultivation of hybrid wines for *ordinaires—Vins de Consommation Courante (VCC)* — continued. However, in 1947 a co-operative was formed by 20 growers at Parnac, just to the west of the town of Cahors. Central cellars were constructed, viticultural research was undertaken, the grape variety strains were improved, and in 1951 Cahors qualified to become a Vin Délimité de Qualité Supérieur (VDQS).

Yet matters grew worse before they improved, and after the terrible frosts of 1956 and the poor crop of 1957, the total output entitled to the Cahors label in 1958 was 1,500 hl., compared with 120,000 hl. for the VCC. To-day it is about 35,000 hl. and when recent plantings come into full production it will be 40,000 hl. — a modest enough amount, equal to no more than an average crop in, for example, Pauillac alone. However, production as well as prestige was given a big boost in 1971 when Cahors was awarded *Appellation Contrôlée* status. It could at least look Bordeaux in the face, and even, perhaps, look down a little on the VDQS of the Midi.

The AC area lies in a narrow band of land, about 25 miles long and 6 wide, mostly to the west of Cahors. Parnac, now with nearly 500 members, remains the only co-operative, and it produces about 50 per cent. of the total AC wine—as well as making a much larger amount of its members' VCC. There are also a number of fairly small private growers who market their own wine. They include Château Cayrou d'Albas, Château Parnac, Château Cenac, Château Les Bouysses, Clos la Coutale and Clos Triguedina.

Very tannic

Cahors is exclusively red, produced mainly from the Cot or Malbec grape, here known as the Auxerrois. The Malbec, employed marginally also in the Gironde, is subject to *coulure*, a dropping of the newly formed berries after the vine flowering, and it also produces very tannic wine. So although Cahors must include 70 per cent. Malbec, some subsidiary varieties are permitted: Jurançon Rouge (though this is being phased out), Tannat (the principal grape of another south-western France wine, Madiran), Merlot and Syrah (the grape of the Rhône). The qualifying strength is 10.5 degrees, but all good Cahors is nearer 12 degrees. The basic 45 hl. per hectare yield has now been partly superseded by annual fixings; last year it was 54 hl. Owing to the low price obtainable for Cahors it is doubtful whether it is profitable at less than 50 hl. per hectare.

One reason for the low price is the long shadow still cast by Bordeaux. For Cahors has much the same clients, within and without France, as Bordeaux, which is naturally much better known. So *Cahors prices have to be that* more competitive. Generally they should be about the same level as second-line Côtes de Bourg or Fronsac; often they are not. When Bordeaux prices went mad a few years ago Cahors benefited and new buyers, including British merchants, visited the Lot. Much of the 20 per cent. exported goes to Switzerland, Holland and Germany, but this excellent fruity wine can now be found on British wine lists, and it deserves more attention. The price per French bottled wine is £1.25-£1.50.

Recent vintages

The problem for Cahors, as with some of the Rhône wines, is that it is usually drunk too young when it can seem strong, even harsh. For it really needs four or five years to mature, with up to two years in wood, then more time in bottle. The leading recent vintages were '61, '67, and '71, and there are good hopes for the '75. For the Parnac co-operative and other merchants, such as Reutenauer in Cahors, sell blends under such labels as Cahors Vieille Réserve and Vieux Cahors, and these are often more mellow, drawing on lesser years. One point to be remembered is to open the bottle a good three or fours hours in advance. For, at the risk of contravening the new Sex Discrimination Act the fruity, full-bodied Cahors can *be described as a "manly"* wine. (I hasten to add that in principle I prefer the feminine styles, but these tend to be more expensive.)

Finally, those planning their next motoring holiday in France should consider some "research" on the spot. For once, the English and Dutch-speaking enclaves in the Dordogne should be given a miss, and the Route Nationale 20 followed to Cahors itself: Almost surrounded by the Lot itself, and in the Pont Valentré *possessing one of the* most spectacular of all mediaeval bridges, this is one of the most picturesquely sited towns of France. Millionaires and others particularly favoured may stay at the Bishop's former palace, the Hôtel Château de Mercuès, a fairy-tale castle overhanging a great bend in the river. But there is no lack of more modest accommodation in Cahors itself, and a number of restaurants where Vieux Cahors may be sampled. For this it is probably worth paying a little more rather than a little less, as the natives' conception of 'vieux' may not always coincide with the visitors'.

OBITUARY

Agatha Christie

BY ANTHONY CURTIS

Agatha Christie

PEOPLE all over the world will experience a sense of personal loss at the news of the death of Agatha Christie at her home at Wallingford, Berks., yesterday at the age of 85. Her readers were not merely legion; they included most literate persons above the age of 10. Patron saint of insomniacs everywhere, and of many forced to undergo a journey by train or plane, she has readers in every part of the globe, including a huge following in the Soviet Union.

She published 77 crime fiction books during her lifetime, and these were translated into 28 languages. At the last estimate they had sold 180m. copies. Declining health checked her industry in the past few years. The book she published last year, *Curtain: Poirot's Last Case*, was written in 1941. In this she killed off her celebrated Belgian-born detective Hercule Poirot, with his talk of "little grey cells," and in doing so, took him and her readers back to the setting in which she made her début in 1920 with *The Mysterious Affair at Styles*.

Her career thus coincided with the golden age of the detective story in English, and books such as *The Murder of Roger Ackroyd; Peril at End House; Murder on the Orient Express (recently made into a film)* and a dozen others established her as the undisputed mistress of the whodunit.

Dame Agatha—her outstanding contribution as an author was honoured by the award of a DBE in 1971—was not working on a book at the time of her death, but there is one more in the safe at Collins. This will now be published. It concerns her other great detective, the egregious and unflappable Miss Marple, and will signal the departure of that logical old lady from this life.

Tommy and Tuppence, her married sleuths, appeared in her books intermittently, starting in 1922, and were last heard of in 1968. Time does not exactly stand still in those books. The war and the post-war world make a distant impact. They are a background to a local situation in which the members of a disparate group of English people are implicated in a murder, usually, or a series of murders.

She appears to have an effortless fluency of invention, but the impression she gave me at a luncheon by her publishers to celebrate her 80th birthday was a different one. We were talking about the Public Lending Right, of which she proved to be a firm champion. "After all, it is difficult enough to write a novel," she said, "involving many laborious hours of work—why should someone read it for nothing?"

She wrote several plays, most famous of which, *Mousetrap*, has been run[ning] since 1951, and has [made] separate fortunes for its producer, Peter Saunders, and her nephew, to whom [she] assigned the rights. D[ame] Agatha was twice married, to Col. Archibald Chr[istie], a businessman, whom [she] divorced in 1928, and to Pr[ofes]sor Sir Max Mallowan, archaeologist, in 1932. [She] accompanied him on many [ex]peditions in the Middle Eas[t].

She wrote a volume of [auto]biography describing som[e of] these archaeological digs, [a] book of poems; and half-a-[dozen] romantic novels under the [nom-]de-plume of Mary Westmac[ott].

RACING BY DOMINIC WIGA[N]

'Taffy' should defy weight

THERE are few better handicap hurdlers in training than the Pat Upton-trained *Fighting Taffy* and I shall be surprised if this tough *Welsh Rake* gelding fails to defy 12 st 5 lbs in to-day's Daniel Lambert Hurdle at Leicester.

Fighting Taffy, a winner twice already over this two-mile course and distance, gained his last success here when getting up close home to defeat Casbah in a highly competitive running of the Ivy Handicap in December, 1973.

That victory is a long way back, but Fighting Taffy has been maintaining his form well. His most recent success was in Sandown's Benson and Hedges Hurdle six weeks ago.

There, the Sparsholt nine-year-old found a fine turn of foot on the run-in which enabled him to get up in the final stride and touch off Old Man Dimplex, to whom he was giving 18 lbs.

The runner-up paid a useful compliment to the form on his next appearance when comfortably accounting for Accord, to whom he was giving 2 lbs. at Wolverhampton on Boxing Day.

Fighting Taffy has had one outing since collecting the £4,620 first prize for Upton (who also owns him) at Sandown.

Four weeks ago he again gave his supporters a good run for their money when keeping on determinedly to take third place behind Heracles and Nougat—to both of whom he was trying to concede a good deal of weight—in the Ivy Hurdle at Leicester.

LEICESTER
1.00—Murray Flash**
1.30—Arrow Head
2.00—Fighting Taffy*
3.30—Robb Rian

FONTWELL
1.15—Sun Trap
1.45—Chief Scout
2.15—Frozen Saint
2.45—Alaska Highway***
3.15—*Brantridge Farmer*
3.45—Station Master

He was carrying 25 lbs more than when he won the 1973 running of the Ivy Handicap and appears to have a considerably easier task at the weights to-day.

Poor Boy, a two-lengths winner from Redbin at Towcester in mid-November, failed to make any show in the Johnny Walker Hurdle at Ayr 12 days ago. However, he was probably not helped by the soft ground and with faster conditions forecast, he cannot be ruled out with only 10 st 12 lb in the saddle.

Even if Bob Davies fai[ls to] win on Poor Boy, he should [ride] at least one winner for [...] Morley's Bury St. Edm[unds] stable. *Murray Flash* loo[ks to] be something of a bank[er in] Div. 1 of the Croxton [Park] Novices Hurdle.

Mr. James Adeane's Murra[y Flash] gelding failed by just [...] lengths to cope with the experienced Litigant in a [simi]lar event at Market Rasen after Christmas and he is e[xpected] to have derived conside[rable] benefit from that run, h[...] over the minor obstacles.

Tudor Slipper, from C[...] Ryan Price's Findon stable [...] follow him home.

At Fontwell the safest [...]sition appears to be the pr[ogres]sive *Alaska Highway* in Di[v. ...] the Pulborough Novices H[urdle]. The Uplands six-year-old [should have] no difficulty in outc[lassing] Verona Bay and nine oth[ers in] a similar event at Lingf[ield a] week ago and the oppo[sition] here does not amount to [...]

Brantridge Farmer is na[...] preferred to another [...] specialist, Crumlin, in a [...]tive running of the Pe[...] Chase.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161.) ENGLISH NATIONAL OPERA Tomor. 8 Salome. Thurs. 5.30 Siegfried. Sat. 4.30 Twilight of the Gods.

COVENT GARDEN. 240 1066. THE ROYAL BALLET Tonight 7.30: Symphony. The Two Pigeons. [illegible]

SADLER'S WELLS [illegible]

THEATRES

ADELPHI [illegible]

ALBERY [illegible]

ALDWYCH [illegible]

AMBASSADORS [illegible]

APOLLO [illegible]

CAMBRIDGE [illegible]

CASINO [illegible]

COMEDY [illegible]

CRITERION [illegible]

DRURY LANE [illegible]

DUCHESS [illegible]

DUKE OF YORK'S [illegible]

GARRICK [illegible]

GLOBE [illegible]

GREENWICH [illegible]

THEATRES

HAYMARKET. 930 9832. Evenings 8.0. Mat. Wed. 2.30. Sat. 5.0 and 8.15. Edward Woodward Geraldine McEwen Jennie Linden. Edward Hardwicke in Frederick Lonsdale's ON APPROVAL "You should rush to see it." D. Tel. "It got my approval." E. News. [illegible]

[illegible]

THEATRES

ROUND HOUSE. 267 2564. Prevs. Opens Thur. 7.30 Subs. 8. Thur. 5 and 8.30. RSC present THE IK Peter Brook. "DOWNSTAIRS" [illegible] & MAN IS MAN Prvs. fr[illegible]

ROYAL COURT. 73[illegible] COLIN BLAKELY in JUDGEMENT [illegible]

[illegible]

CINEMAS

[illegible]

CINEMAS ARE CONTINUED ON PAGE 9

TV/Radio

† Indicates programme in black and white.

BBC 1

9.38 a.m. For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Bod. 2.00 You and Me. 2.15 For Schools, Colleges. 3.25 Fo a Fe. 3.58 Regional News (except London). 4.00 Play School. 4.25 Deputy Dawg. 4.30 Jackanory. 4.45 Star Trek. 5.10 John Craven's Newsround. 5.15 Rentaghost. 5.40 Paddington.
5.45 News.
6.00 Nationwide.
6.50 Are You Being Served?
7.20 The Ellery Queen Whodunnit.
8.10 Warship.
9.00 News.
9.25 Play for Today.
10.50 Tonight.
11.25 Play Sport.
11.50-11.52 Weather / Regional News.

All Regions as BBC-1 except at the following times:—

Wales — 2.40-3.00 p.m. For Schools in Wales. 6.00-6.50 Wales Today. 6.50-7.10 Heddiw. 7.10-7.40 Ar Ben Ei Hun: Meredith Edwards. 7.40-8.10 Are You Being Served? 11.50 News and Weather for Wales.

Scotland—6.00-6.50 p.m. Reporting Scotland. 11.25-11.55 Who Are The Scots? 11.55 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.25 Scene Around Six. 6.25-6.50 Chef's Special. 11.50 Northern Ireland News Headlines.

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth).

BBC 2

11.00 a.m. Play School.
2.30 p.m. Peter Donaldson's Illustrated Economics.
3.00 All in the Mind.
3.30 Looking at Documentary.
7.05 Ensemble.
7.29 Weather.
7.30 Newsday.
7.45 The Book Programme.
8.10 International Pro-Celebrity Golf.
9.00 Fawlty Towers.
9.30 The Man Alive Report.
10.20 The Old Grey Whistle Test.
11.00 Newsnight.
11.25-11.30 Closedown: Leslie Sands reads "Old Flame," by Simon Curtis.

LONDON

9.30 a.m. Schools Programmes. 12.00 Stuff and Nonsense. 12.10 p.m. Mr. Trimble. 12.30 Trash or Treasure. 1.00 First Report: News, *FT index*. 1.20 *Lunchtime Today*. 1.30 Emmerdale Farm. 2.00 Good Afternoon. 2.30 Couples. 3.00 Village Hall. 3.55 General Hospital. 4.25 Runaround. 4.50 Magpie. 5.20 Nanny and the Professor.
5.50 News from ITN.
6.00 Today.
6.50 Crossroads.
7.15 Tuesday Mystery Movie: McCoy.
9.00 Shades of Greene.
10.00 News.
10.30 What Happened to Johnny Go Home?
11.45 A Place in History.
12.15 a.m. Initiators.

All ITV Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 I am Joe's Heart. 5.20 Wait Till Your Father Gets Home. 6.00 About Anglia. 7.00 Cartoon. 7.15 Tuesday Movie: "Magic Carpet," starring Susan Saint James. 11.45 Police Surgeon. 12.10 a.m. Reflection.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Batman. 6.00 ATV Today including Police Five. 7.00 The Tuesday Movie: "Guns at Batasi," starring Richard Attenborough and Flora Robson. 11.45 Angling Today.

BORDER

†1.20 p.m. Border News. 2.00 Houseparty. 5.20 The Beachcombers. 6.00 Border News and Lookaround. 7.00 Cartoon Time. †11.45 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 Wait Till Your Father Gets Home. 6.00 Report at Six. 7.00 Curtain Raiser. 7.10 TV Movie: "The Big Dragnet." 11.45 Commentaires et Previsions Meteorologiques.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 The Brady Bunch. 6.00 Grampian Today. 6.10 The Flintstones. 7.00 Cartoon Time. 7.15 The Tuesday Comedy: "Heller in Pink Tights," starring Sophia Loren and Anthony Quinn. 12.15 a.m. Evening Prayers.

GRANADA

1.20 p.m. This is Your Right. 5.15 What on Earth? 5.20 Crossroads. 6.00 Granada Reports. 6.40 The Persuaders. 7.35 Suspense Movie: "Linda," starring Stella Stevens. 11.45 Shannon's Mob.

HTV

12.30 p.m. A Place in History. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.20 Report Wales. 6.40 Mr. and Mrs. 7.10 The Tuesday Mystery Movie: McMillan and Wife.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Fyny Fan'na. 6.01-6.20 Y Dydd. 10.30 Datganoli. 11.30 O'r Wasg.

HTV West—As HTV General Service except: 11.39-11.54 a.m. Biology. 1.20-1.30 p.m. Report West Headlines. 6.20-6.40 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Houseparty. 5.20 Calimero. 5.25 Crossroads. 6.00 Scotland Today. 6.30 University Challenge. 7.00 Love American Style. †7.10 Feature Film: "The Captive City." 11.45 Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 6.45 University Challenge. 7.15 "The Defector," starring Montgomery Clift and Hardy Kruger. 11.45 Southern News Extra. 11.55 Police Surgeon.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 1.30 Love American Style. 5.20 Emmerdale Farm. 6.00 Today at Six. 7.00 Cartoon Time and Betty Boop. 11.45 Epilogue.

ULSTER

1.20 p.m. *Ulster News Headlines* followed by Lunchtime. 2.00 Houseparty. 4.23 Ulster News Headlines. 5.20 Beachcombers. 6.00 UTV Reports. 7.00 The Ghost and Mrs. Muir. †7.30 Tuesday Movie: "Walk a Crooked Mile," starring Louis Hayward. 11.45 UTV Profile.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Wait Till Your Father Gets Home. 6.00 Westward Diary. 7.00 Curtain Raiser. 7.10 TV Movie: "The Big Dragnet," starring Jack Webb. 11.45 Westward Late News. 11.40 Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 1.30 Mr. and Mrs. 5.20 Emmerdale Farm. 6.00 Calendar. 7.00 Bugs Bunny. 11.45 Night Gallery.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including this week's Top 30 discs, and 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), *including 8.27 Racing Bulletin and 8.45 Pause* for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Beat the Record. 7.30 Robin Richmond The Organist Entertains (S). 8.02-9.00 Among Your Souvenirs (S) (VHF only, also 202m Scotland). 8.02-9.30 Football League Cup Special (1500m only). 9.02 The Songwriters (VHF only, also 202m Scotland to 9.30). 10.02 Ian Carmichael's Music Night (S). 11.02 Sports Desk (1500m only, also 202m Scotland. VHF joins Radio 1). 11.05 Colin Berry with The Late Show (1500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Schubert (S). 9.45 Academy of the BBC (S). 10.40 The Nordic String Quartet (S). 11.20 Piano Recital (S). 12.05 p.m. Cardiff Cathedral Concert—Part 1: Handel, Dvorak (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Concert—Part 2: Tchaikovsky (S). 2.15 Music In Our Time (S). 3.30 Mendelssohn's Octet Op 20 (S). 4.05 Buxtehude concert (S). 4.55 Jazz Today (S). 5.25 Pied Piper (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Work and Training. 7.30 Music in Question (S). 8.00 Haitink Conducts the LPO—Part 1: Haydn, Rachmaninov (S). 8.50 Finding a Voice. 9.10 Concert—Part 2: Ravel (S). 9.50 Drama Now (S). 10.30 Tovey cello recital (S). 11.25-11.30 News.

RADIO 4

434m, 330m, 285m and VHF

‡ Medium Wave only.

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer For The Way. 6.45 Today, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today, including 7.27 Sportsdesk, 7.35 Today's Papers, 7.45 Thought for the Day, 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today, including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call (‡from 9.20). ‡10.00 News. ‡10.05 From Our Own Correspondent. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 Down Your Way. ‡11.45 James Cameron with BBC Sound Archives. 12.00 News. 12.02 p.m. You and Yours. 12.27 Just a Minute. ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. ‡2.45 Listen With Mother. 3.00 News. 3.05 Evan Harrington. 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 My Music (S). 6.45 The Archers. 7.00 News Desk. 7.30 Kaleidoscope. 8.00 Haitink Conducts the LPO (as Radio 3) (S). 8.50 Finding a Voice (as Radio 3). 9.10 Concert—Part 2 (as Radio 3) (S). 9.50 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only) 9.20 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Matter Of Fact. 4.32 Home Run, including 5.00 and 6.00 p.m. London News Desk. 7.00 In Town. 8.00 Holiday Scene. 8.30 All That Jazz. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

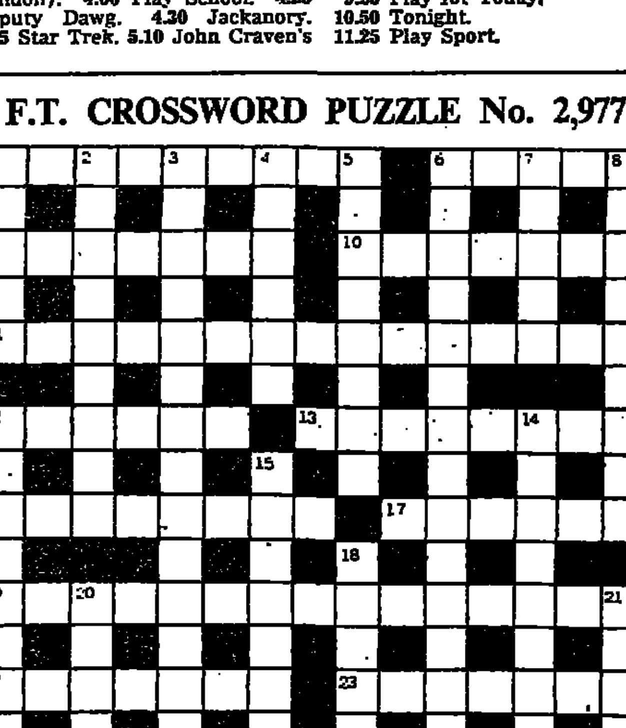
5.00 a.m. Morning Music. 6.00 "A.M." 10.00 George Gale. 12.00 Newswatch. 2.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 London Matters. 9.00 Robin Houston's Nightline. 1.00 a.m. Nightwatch (news every half hour).

Capital Radio

194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,977



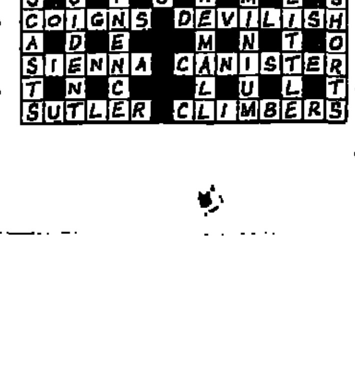
ACROSS

1 *Leading performer gets food* and lodging but is right at sea . . . (9)
6 . . . therefore be right and temperate (5)
9 Not prepared and still sick (7)
10 Bad sea-legs—like Peter Pan? (7)
11 Beating all competition—like a hungry beast? (5, 2, 3, 5)
12 Stationary type of atmospheric disturbance (6)
13 Put beer in ship before being *representative* (8)
16 Yearn for worker to produce writing (8)
17 Is about to distribute standards of perfection (6)
19 Descriptive words, for example, pride and charm (10, 5)
22 Imply it is to entangle or complicate (7)
23 Retire to a place of seclusion (7)
24 Direction indicated in minor thoroughfare (5)
25 Resisted and acquitted one-*self* (5, 2, 2)

DOWN

1 Fill very full—with essence? (5)
2 Find out, however sure (9)
3 Wish that the blur could be changed to feel fine (5, 4, 6)
4 Burning part of garden trash (6)
5 Cold and cheerless then warmth but it's a draw (4-4)
6 She gets force on the pitch combined for this team (9, 6)
7 Old note—from the Pope? (5)
8 Dwellers putting team in tears (9)
12 Southern poll for a potpourri (9)
14 Check the size and be adequate (7, 2)
15 Not tangled, like wood without blemish (8)
18 Cook too much and exaggerate (6)
20 Sweetheart gets nothing right (5)
21 Begin a quarrel (3, 2)

SOLUTION TO PUZZLE No. 2,976



هكذا أصل الأصل

Royal Academy

Golden years of Spanish painting

by DENYS SUTTON, Editor of Apollo

El Greco: Portrait of a Gentleman

...enteenth-century Spanish ...ing has been admired in ...country since the days of ...es I; later, during the ...eenth century, many major ...sh pictures entered British ...tions. And in the 1890s ...M. Stevenson wrote a fluent ...ucid book about Velázquez ... aroused much enthusiasm ...nfluenced more than one ...ation.

...the early years of the ...t century, interest began ...taken by English writers in ...eco. Roger Fry did much to ...nthusiasm for this artist ...s example was followed by ...s Huxley and Sacheverell ...l. Nevertheless, the Spanish ... as a whole is not known ...y detail in Great Britain, ... to specialists.

...exhibition at the Royal ...my is something of an ...though it must be admitted ...t is not as significant as ...have been hoped. However, ...ircumstances of the day ...o be borne in mind; it is ...ticable to expect that the ...st treasures of the Prado ...be lent for the occasion.

...major men are repre... though not necessarily by ...ding examples. However, ...now does include some ...t paintings. One of the ...striking is El Greco's ...ciation (No. 5) which ...the Cretan master on the ...old of his most imaginative ...dividual style. How in...ng to contrast this painting ...the *Purification of the* ...e (No. 6), another version ...picture in the National ..., and to observe the ...rmation that occurred in ...tlook: the influence of ...o may be noted in the ...*tion.*

...*Annunciation* contains the ...ristic elements which ...erise the mature El Greco ...ated figures and refined ...s—but these are employed ...uggest erotic ambiguities, ...often the case with ...ist art, but to convey a ...l and supernatural vision. ...ture helps to explain the ...El Greco exerted on the ...ion of Picasso and Meier... when a more expressive ...ame prevalent.

...eco was not a Spaniard, ...is particular painting ...es details of a type ...ly associated with ...painting, such as the ...e formed by the *prieu*...d the basket: these pro...an anchor for the ...tion.

...xtent to which an artist ...s himself with his sub...tter is always a fascinat...ic. In the *St. Luke* ...one of the most beauti...s on view, the melan...pression of the saint has ...g of El Greco's per... The handling is ex... the touches made by the ...rush strokes on the gar...e ivorine delicacy of the ...nd the sketchy treatment ...*irgin and Child* show the ...at his best.

...eco was a magnificent ...painter who allied a ...grasp of psychology with ...for paint; such qualities ...aled in the *Portrait of a* ...*an* (No. 9). The exhibi...inds us that Spain produced many excellent portrait painters during the 17th century, one of whom, Pantoja de la Cruz, is represented by an effective group portrait of *St. Augustine as founder of military and religious orders* (No. 10).

The Velázquez is shown exclusively as a portrait-painter. In selecting pictures of this type, the organisers have remembered, no doubt, the influence the Spanish Master had on Whistler and, to some extent, on Sargent, and have made it possible to compare his treatment of the full-length with that of other 17th-century masters such as Van Dyck.

The dominating work is the full-length of the *Infante Don Carlos* (No. 45), which shows how Velázquez achieved the difficult task of posing a full-length figure in such a way that it appears without stiffness. There is nothing of the playing card about it. This painting, a nocturne, as it were, in greys and browns, and the later *Philip IV* (No. 80) reveal the Spanish artist's debt to Titian, evident in the hand that holds the glove in the former portrait, and the brushwork in the latter one.

Velázquez was a painter of court life, Zurbarán a painter of ecclesiastical life. Although none of Zurbarán's large-scale pictures has been included, his contribution as a painter who created still life whenever possible is displayed in the portrait of *Fray Jerónimo Pérez* (No. 37). Here can be seen his ability to contrast hot and cold colours—the scarlet of the table cloth, the white of the monk's habit—and he endows the book, as well as the proud intense features, with an astonishing sense of reality.

Murillo was the one Spanish artist who was greatly admired in England in the eighteenth century, by Gainsborough, for instance. This is understandable, for he was a painter of aristocratic elegance, the master of refined and subtle colour, the quality of which has often been overlooked owing to the prevalence of copies after his works.

Professor de Salas has skilfully brought out the contrasts in Murillo's style by including in the show the unusual *St. James of Alcalá feeding the Poor* (No. 65), a bold and touching study of popular life of considerable spiritual depth, which manifests the influence of Ribera.

Ribera, who spent much of his life in Italy, working first in Rome and then in Naples, where he was patronised by the Spanish Viceroys, is one of the most remarkable painters of his period. Unfortunately, many of his paintings are exceedingly dark and in poor condition. But his imaginative powers and his feeling for human tragedy are conveyed in the little *Fallen Calvary* (No. 25) from Osuna in which the drama is presented with classical restraint.

One of the most astonishing pictures in the exhibition is this master's *Bearded Woman (Magdalena Ventura with her husband and son)* from the Lerma Foundation (No. 28), in which, once the subject matter has been assimilated, the eye is riveted by the details of still life, the contrast of the sharp red of the child's clothes and the dark background that heighten the mood of these two unfortunate creatures bound by their fate, as inextricably as husband and wife usually appear in 5th Dynasty Egyptian sculpture.

The modern interest in the development of landscape in the 17th century gives particular appeal to J. B. Maino's landscapes of St. John the Baptist and St. John the Evangelist (Nos. 19, 20). These charming pictures provide welcome evidence of the spread of Italianate influence in Spain and pay tribute to that of Caravaggio (the figure of St. John the Baptist) and Elsheimer, Gentileschi, Annibale Carracci and Domenichino.

The *Landscape with a city* (No. 43) by Francisco Collantes—a pure landscape—also reveals the extent to which Flemish landscape had an effect in Spain.

A. E. Pérez Sánchez in his excellent catalogue entry rightly emphasises that this artist had a stage-designer's way of conceiving the scene — another instance of the fruitful relationship between painters and the theatre.

A dominating preoccupation of artists during the seventeenth century was the painting of still life. The Dutch and Flemish masters were long considered to be predominant in this genre, but since the 1920s increasing attention has been paid to the French contingent (Baugin, Linard, Louise Moillon, etc.) and the Spanish masters.

The selection at the Royal Academy includes the controversial small *Still life* by Zurburan (No. 39), which, for all its charm and harmony, lacks the architectural character of the details of still life in his major compositions or the large painting in the Norton Simon collection (ex Contini-Bonacossi). The importance of still life in Spanish art of the seventeenth century becomes clear with the presence of works by Cotan, Van der Hamen and Yepes, but a more extensive selection might have been made.

This exhibition does present a comprehensive survey of Spanish painting and is not rich in masterpieces, but it does provide an exciting introduction to one of the great schools of European painting, and the division of the show into local Masters helps to make the story clear, as does Professor Nigel Glendinning's excellent introduction to the catalogue. The exhibition brings out the principal characteristics of Spanish art of the time: sobriety and severity, and the sense that death is ever present. The Spanish masters recognise that the furies ever hover over our heads, that life is harsh and that circumstances change: it is an exhibition with a lesson for our age.

Hamburg Schauspielhaus

Das Sauspiel

by RONALD HOLLOWAY

The *Zeitstück*, the period play dealing critically with contemporary issues, has been a popular form of German theatre since the '20s; it is to be distinguished from the legendary or historical play by its topical subject matter and accurate reflection of social and spiritual undercurrents during a crucial period in history. In its broadest sense, it belongs to *Bildung*, the continuing education process that characterises much of subsidised German theatre.

Brecht, Toller, Horvath, and Zuckmayer moulded the *Zeitstück* into a fiery commentary on the interregnum and war years; afterwards, Brecht's epic-theatre influenced Frisch and Dürrenmatt to a "parable" commentary on the present, and Peter Weiss's *Hölderlin* at the beginning of this decade pointed to possibilities of interpreting the present through historical personages and events. Thus, Martin Walser's *Das Sauspiel (The Sow Game)*, premièring at the Hamburg *Schauspielhaus* (no pun intended), has been classified by the author as a *Zeitstück* although it deals ostensibly with historical events in Nuremberg in 1526, one year after the bloody Peasants' Revolt. It is a play fashioned from the stuff of history to say something about to-day.

The primary question is what exactly Walser wants to say. The author-intellectual (b. 1927) was one of the members of "Group 47" and is known for his ironic, critical examination of post-war Germany through novels, stories, radio-plays, and dramas; his principal theme is the relationship of the individual to to-day's style of living, and taking his writings as a whole into consideration it might be best to classify him as a passionate essayist.

This side of his character was revealed in a rather dramatic manner a few weeks before the Alfred Kirchner production of his play: Walser described in a Reading for the Malersaal, the annex of the Hamburg Schauspielhaus, the background of *Das Sauspiel* and how this slice of 1526 Nuremburg intellectual life—the painter Dürer, the poet Hans Sachs, the philosopher Paracelsus, the theologian-teacher Melanchthon, the humanist Pirckheimer, and other city officials (a Dr. Faust is thrown in for good measure)—stumbled over each other to cut a path between themselves and the so-called Social Revolution (1522-36) instigated by the Peasant's Revolt and the Anabaptist movement.

Further, Walser read excerpts of his play with such passion and insight that there was little doubt as to where the pauses and intonations were meant to be: his barbs were aimed at the "thinkers and reformers" who supported, and then distanced themselves from, the 1968 Student Revolt and its aftermath.

The Kirchner production, on the other hand, offered an illustrated history lecture for the local gymnasium: everything was dumped into the past and nothing was left over for the present. Since the play was originally commissioned by the city of Nuremberg in the midst of centennial celebrations (first Dürer, now Sachs), but dropped due to the high cost of the production, there is a certain justification for actors interpreting famous personages like strutters on a summer boardwalk; but a worse fate could not have befallen a committed dramatist. The Hamburg Schauspielhaus, in picking up the tab for Mikis Theodorakis' musical arrangements, went for broke, with a slick staging of dress-store mannequins and a slashed, comfy text.

Das Sauspiel is a play for intellectuals by an intellectual. It deals with a court-singer Jörg Graf, a go-betweener tied to both the rich and poor, who composes songs for the ruling class and yet is impressed by the ecstatic hymns of the Anabaptist heretics: to earn more money he presents himself as a blind man; then steps beyond propriety by murdering a competitor during the Sow Game, a spectators' sport in which the blind pursue a pig-prize with hooked staffs; and is finally blinded in fact for his misdeed.

It deals with the Anabaptists as political pacifists in contrast to the complacent intellectual circle: a position perhaps necessary for his *Zeitstück* concept but, as Norman Cohn's well-documented book *The Pursuit of the Millennium* underscores, untenable in the light of history (although the majority of Anabaptists, like the earlier Waldensians in Southern France, were peaceful dissenters, the princes feared preachers of the movement like Hans Hut who prophesised a Münzer-inspired, apocalyptic two-edged sword). It deals also with Rosi Graf, the singer's daughter, who stomps on the Faust-Gretchen myth by turning down Herr Doktor's seductive offer. It deals with a number of political positions the theatregoer can muse over; but it is, unfortunately, a play without drama.

Historical-political theatre has been popular in Germany since Weiss's *Marat-Sade*, the prominent theme of late being the 16th-century Peasants' Revolt. Dieter Forte's *Martin Luther and Thomas Münzer* drew a huge crowd to the Thalia Theater in Hamburg a few seasons ago on a warm Sunday afternoon for an open discussion: theatrical *Bildung* at its most intimate, excitable level. Two years ago, as Walser began researching *Das Sauspiel*, the Landestheater Tübingen found a hit in Yaak Kasunke's commissioned *Die Bauernoper*: "Scenes from the German Peasants' Revolt of 1525" with songs by Peter Janssens; the play ran non-stop for two seasons. Recently, the Theater am Turm in Frankfurt presented its version of *Die Bauernoper* in a slightly different context, and this musical revue with drive and lust for a factual page in history has been invited to Tübingen for sold-out performances, matching its Frankfurt popularity.

One wonders: how would *Das Sauspiel* have fared on similar simpler terms, without a live pig running around on an open stage.

Wigmore Hall

Alan Bush

by RONALD CRICHTON

A large audience filled the Wigmore Hall on Sunday afternoon to greet Alan Bush for his 75th birthday, which fell in Christmas week, a time inappropriate for concerts. This tribute was presented by the Workers' Music Association, which Bush founded and of which he has long been president. He is still active as a composer. The programme contained three absolute first performances as well as the first concert hearing of a tribute by Bush himself to a younger colleague — Shostakovich, who would have been 70 this year. The *Letter Galliard* for solo piano is a short piece constructed on letters from the two composers' names, but not all the recent works were short, and one of them, the *Suite for Six* string quartet is of considerable length — six movements, each concerned with a different scale, linked by interludes, framed by introduction and postlude.

The form of the *Suite for Six* was not altogether clear in spite of wholehearted playing by the Chilingirian Quartet. Material or moods from previous sections recur at unexpected points—what I took for the interludes were more expressive and personal than the rather dry main movements, mostly in dance-forms. The absence of strong musical personality was marked throughout the programme, chosen mainly (though not entirely) from the recent output of a reasonably prolific composer who has reached his opus 80. The most compelling single work was *Relinquishment* for solo piano, dating from 1929 and therefore contemporary with the admired *Dialectic* for string quartet. Otherwise, the unfailingly neat, disciplined workmanship (as reliable in the new Sonatina for recorders with alto, tenor and soprano instruments given a movement each, as in songs, quartet, or piano solos) had to be set against a feeling of prevailing, earnest greyness.

Bush has for many years now cultivated simplicity for political reasons. Experience and technique help to achieve his end, but a stronger, more spontaneous melodic gift would have helped even more. Apart from the Chilingirian Quartet the sterling performers included the composer himself, accompanying two singers: Laura Sarti gave the song-cycle *Life's Span*, the young baritone Graham Titus was heard in an excerpt from the *Winter Journey* cantata and in two new Pablo Neruda settings, sung in Spanish, with a Portuguese accent. The solo pianist was the New Zealander, William Langford, who gave a lucid exposition of the tricky *Relinquishment*.

...vision

...r. Hall & Mr. Brook

by B. A. YOUNG

...Brook is becoming a ...ather than a leader here ...own country, though in ...ere it is important to ...at besides *The Marat/...* ...nd the controversial ...is credits include *Irma...* ...and *The Little Hut*. So ...good idea of Peter Hall's ...him into *Aquarius* ...to tell us about what he ...g before he unleashes ...n us this week.

...all went to Mr. Brook's ...in Paris for his ...r, the Bouffes du Nord, ...lmost-derelict theatre ...in an almost-imper...way. Most of the inter...owever, was concerned ...Brook's recent visit to ...with his International ...or Theatre Research, of ...occasional shots were ...

...isit to West Africa was ...cerned with the Ik, a ...t lives in the mountains ...east Uganda. A brother-...f mine in the King's ...Rifles was interviewed ...olonial Office before he ...out. "Do you speak ..." they asked. Mr. ...company were not con...with speaking anything, ...n Orghast. They were ...for conditions in which, ...Psalmist says, there is ...peech nor language, but ...ices are heard among ...

...ing within the London ... Mr. Brook explained, ...ows that there are an ...s number of factors that ...s on, one knows in ...that there are certain ...s that you make and the ...will pick them up, you ...a joke about television ...know what it is."

...ica, with audiences that ...hing for granted, things ...ifferent. When Helen ...egan to play the part of ...led old woman, the ...believed that she had ...een afflicted with pain. ...o be explained that a ...s being played, a story ...

...ook and Mr. Hall are ...culate men, who under... at each other is doing. ...hey seem less and less ...king on the same lines. ...lloquy raised a dozen ...at were not necessarily ...but never failed to be interesting. Whether we shall find at the Round House that Mr. Brook has devised in his company the "special possibility for a short time to see life more clearly and more intensely," and so to carry the audience without "communication" ("I don't think communication has anything to do with the theatre at all")—this is something we shall see.

Peter Brook

Mr. Brook certainly has a talent for provoking an anticipatory excitement in his work. Perhaps, though, this is one of the factors we should not lean on.

37th Venice biennale

After an interval of four years, the Venice Biennale will resume its old form in 1976 and invitations have been issued to participating countries. The exhibitions in the national pavilions will be independently chosen but by general agreement and in order to give greater coherence, will be related to the overall theme, *The Physical Environment.* The biennale will be inaugurated in June on a date yet to be fixed and will remain open for four months.

The British Council will as usual be responsible for organising the exhibition in the British Pavilion, which will be a one-man installation show by Richard Long.

Covent Garden

Luciano Pavarotti

by MAX LOPPERT

The Royal Opera House is a warm, comfortable, communicative atmosphere for song recitals. By the time an Italian tenor of Luciano Pavarotti's stamina and carrying power was into his third encore at the end of Sunday's concert, the house was roaring its pleasure. At the start of the evening it had been impossible not to allow simple gratitude for an event, and a singer, of so many virtues to have its sway. Gratitude for a delivery of the words so clear and fine the entire all-Italian programme could have been taken down in dictation without error. For that easy, unforced tone, unabashed, missile-sure, always perfectly placed. And for a frank, smiling, open-hearted artist who could present the classic Italian song programme (of *Arie antiche*, Bellini, Donizetti and Tosti songs, and Verdi arias) with fresh enthusiasm and vivid belief.

But gratitude gradually diminished—by no means entirely, and never into dismissal; rather into a slowly enlarging critical regret that Mr. Pavarotti is not also a subtler, more delicate kind of singer. He does not lack feeling, or in the proper songs charm, or the ability to keep the sound perfectly steady and true—the opening Bononcini aria boasted a well-sprung and well-modulated line and a good turn (if no real trill). He can lift a smile on to the tone, give it lightness, urgency, vigour. The final group of Tosti songs were filled with evident and responsive pleasure at the pretty pictures and sentiments of the poems. But his art knows very little caressive intimacy and no stillness or inwardness. In Donizetti's "Me voglio fa' na casa" the tra-la-las were as clean and incisive as pellets of hail. "Quando le sere" from *Luisa Miller*, sung as a first-half finale, was meant to bring down the curtain, which did less than justice to its tender murmured memories. Three Respighi songs, each a small marvel of atmosphere creation, wanted atmosphere.

Mr. Pavarotti's speciality is—as the record "King of the High C's" proclaims it—those unflagging, unquenchable, brilliantly penetrative *acuti*. A song recital offers in itself little chance to produce them, though the presence of the *I Lombardi* aria in the second half gave us the first volley above the stave. But with the encores, opportunities were presented and taken. This Nemorino sang his rapt love-song to the furthest gallery tier. The end of "Nessun dorma," without orchestral cushioning, was piercing, the end of "Return to Sorrento" unnerving. The accompanist was Leone Magiera, prompt and idiomatic (except when he punched out the orchestral reduction of "Nessun dorma" as a series of *marcato* wrenches). The absence of a page-turner to assist him caused a number of—avoidable, surely?—holes in the left-hand part.

Greater London Arts Association's visual arts awards

The Greater London Arts Association has launched a visual arts awards scheme offering a total of £6,000 in awards of £250 and £500 for on-going work by visual artists and for projects undertaken by critics and researchers.

The awards will be given to artists working in any medium—including painters, sculptors, performance artists, photographers and those working in mixed media and architectural disciplines to enable them to set aside time for concentrated work and/or to purchase materials.

Some awards are also on offer to critics and art service researchers to undertake special projects—this aspect is innovatory as few such awards have previously been offered.

Elizabeth Hall

The Fires of London

Peter Maxwell Davies being unwell, the group of outstanding chamber musicians he directs appeared on Friday evening without him. In the place of *From stone to thorn* we heard his *Dark Angels* for voice and guitar. Dominic Muldowney conducted his own *Music at Chartres* (the first set, for solo percussion and small ensemble), the first London performance of a work already described here by Max Loppert. I much liked these short but cogent and firmly worked pieces, less concerned with the old kind of romantic reactions to soaring stone and light filtered through stained glass than with exploration of detail, consideration of the constructional and technical problems of a great Gothic church, of medieval states of mind not excluding traces of gargoyle humour.

The composer claims that the movements of the percussion soloist (the excellent Gary Kettel) between three groups of players visibly articulate the structure of the music and make the work partly "a ritualised game," but a few soft-shoed paces from one music stand to another don't really make much difference. No doubt they seem more momentous to those taking part than to the audience for whom the ear, in the killingly neutral surroundings of this hall, is a surer guide than the eye. It is hard to believe that the music wouldn't be just as effective on disc—in any case *Music at Chartres* deserves a recording.

Orkney seems to have had on Maxwell Davies an effect of release and enrichment almost as marked as Naples on Henze two decades ago. *Ave maris stella*, one of the fruits of his northern retreat, has had a welcome of a kind rarely given to contemporary chamber music. It occupied the second half of the programme on Friday, holding and enchanting the audience with its sustained, proliferating intensity absorbing in detail yet strictly controlled in tension and relaxation. The playing, especially Gary Kettel's handling of the important marimba part, was wholly expert and devoted. Mary Thomas and Timothy Walker lent their skills to the *Dark Angels* songs. The words "early Scottish motet" on the publicity leaflet had lowered this listener's spirits, but Maxwell Davies's arrangement of a Fantasy (c. 1620) by William Kinloch, a house-warming present to some Orkney friends, turned out to be a cheerful, pleasant piece.

RONALD CRICHTON

Lowndes-Ajax

bureau chat

Bureauchat 6, January 1976

How to get into the dance without paying

Putting aside the stories, so beloved by journalists, of old ladies who received bills from the Gas Board of just over a million sterling, nobody could say that computers have a good press. Studies have shown that at least 50% of all computer installations in the UK are less than successful. They don't provide the information they were meant to provide, they don't do the payrolls and accounting at an economical rate and their costs are always way beyond what was forecast. Why is this?

First of all it costs a whole heap of money to even get into the dance in the first place. Tickets start well into 6 figures. And with computers there's a lot more give than take. And keeping computers in the manner to which they are accustomed is no joke either.

Although many people won't admit it, the biggest mistake they ever made was installing a computer, and it will go on costing them money long after its youthful beauty has faded. By now you may be wondering what we're selling. Believe it or not we are selling computers. Not suggesting you should buy one—just that you should use one. After all you don't have to buy a chain of launderettes to do the family wash. We believe in computers and in what they can do. So why is it OK for us and not for you?

When we do your payroll or your general accounting, it's at a fixed price. You know exactly what it will be before we start, and so do we. And we know that all the excuses in the world aren't going to let us off the hook. When *you* do it you may not even know what it costs, and if it's more than it should be there's nothing you can do about it.

So if you haven't yet installed a computer—congratulations. And if you have—let 1976 be the year you get out from under. In either case it could pay you to talk with us. We work for household names and small companies, doing their accounting, payrolls, the lot—for fixed prices. And still we make a profit. So whether you just want to cut the fixed cost and use our remote computing service or alternatively hand over total responsibility please contact us for a confidential discussion.

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WORLD TRADE NEWS

Japan may exchange steel for Chinese oil

By Charles Smith

TOKYO, Jan. 12.

CHINA MAY buy an additional 2m. tons of Japanese steel products this year (in addition to "normal" purchases of around 3m. tons) as part of a package deal whereby Japan, in turn, would step up imports of Chinese oil to 10m. tons.

This proposal provides the background to a mission which leaves for Peking to-morrow under the leadership of Mr. Yoshihiro Inayama, the chairman of Japan's largest steel company, Nippon Steel. Mr. Inayama, who was in China late last year to discuss oil and steel, has made a name for himself as one of the leading proponents of sharply increased Japanese imports of Chinese oil.

A much less enthusiastic view of the China oil trade is taken by the Japanese refining industry and by electric power generating companies who are among the major potential consumers. Chinese oil is relatively dear and has a high wax content which creates processing problems in Japan. For these reasons, and because Japan's oil needs are at low levels in any case, the refining industry has recently been arguing that Chinese oil imports this year should be held to the 1975 level of around 8m. tons.

The Inayama plan to trade off a 2m. ton increase in oil imports this year against a special sale of Japanese steel products to China apparently has the blessing of the Ministry of International trade and Industry (MITI) which is deeply interested in expanding trade with China and in diversifying Japan's sources of oil. MITI is also in a position to exert leverage on the oil industry since the Ministry is in the process of sponsoring a series of mergers in the industry which would be backed by special loans from official sources.

Maruzen Oil, a company which is facing severe liquidity problems and which could be involved in the MITI merger plan, has expressed interest in installing some of the special equipment which would be required to process China oil.

Iran may block Turkish credit over transit dues

BY ROBERT GRAHAM

TEHERAN, Jan. 12.

TURKEY'S DECISION to raise truck transit dues and impose new fees has aroused strong opposition here. Iran is reported to be blocking utilisation of a $1.2bn. credit package agreed with Turkey two months ago.

The extra dues and new fees have been in operation since January 7 and were introduced apparently without prior consultations.

All trucks now transiting Turkey have to pay a fuel differencial tax of 75 Turkish Kurush per ton/km. (£1=3,100 Kurush). This is to compensate the Turkish Government for its subsidy on petrol. In addition those countries with transit agreements will have the transit fee raised from 9 Kurush to 25 Kurush per ton/km. For those countries without a transit agreement, of which Iran is one, the transit fee has been raised to 40 Kurush per ton/km.

Finally the old flat fee for "return" trucks, which was about the equivalent of $20, has been altered to a new fee of Turkish lire 1.5 per kilo.

From the European border through Turkey to the Iranian border is just over 1,900 km. Iranian trucking companies reckon that the cost of bringing a 22 ton truck from Europe to Iran will rise from $260 to $1,250. This excludes the return journey which could add a further $280.

This land route has become increasingly important to Iran as its congested ports have been unable to handle import demands. In 1974, 800,000 tons of goods reached Iran this way, and in 1975 the figure will probably be 1.2m. tons (9 per cent. of all imports). Some Iranian exports like cotton and dried fruit are also affected.

When Iran granted Turkey $1.2bn. worth of credit in November, the bulk was intended for Turkish infrastructural improvements, and were conditional on agreement being reached on transit arrangements. These funds are now reportedly blocked. Seemingly inspired articles in the local Press have said Parliament cannot approve the fund under the present circumstances.

The Turkish move has also speeded up Iranian efforts to find alternative routes for imports. Agreement has just been reached in principle with Iran and Syria on truck and rail routes through to the Mediterranean ports of Latakia and Tartous. However, the Turkish route has become so useful that it would be difficult for the Iranians to ignore it.

Indeed there is a certain irony in the way the Iranians have protested at Turkey's raising of these transit dues when Iran itself dismissed Western protests over the raising of the price of oil.

Dutch gravely concerned

BY MICHAEL VAN OS

AMSTERDAM, Jan. 12.

DUTCH ROAD transporters to-day expressed grave concern at the announced big increase in the Turkish transit taxes and the introduction of a surcharge on fuel for lorries crossing the country.

Dr. Michel van Hulten, Dutch State Secretary at the Transport Ministry, who was in Turkey immediately after the enforcement of the new Turkish measures, said at a Press conference here that Holland would have to abide by the new rules but that there had to be negotiations first as a bi-lateral agreement was in force until mid-June this year.

He implied, however, that although he could "understand" Turkey's problems, Holland and other countries had been moved into a position where there was little alternative but to accept the demands. "If we don't, there may be quotas on transit lorries, and we cannot afford to run that risk," he said. It is understood that the tax levies are to be paid by the lorry drivers on leaving the country, while returning empty lorries will also pay a surcharge.

The number of Dutch lorries involved is thought to be about 5,000 a year.

In addition, Dr. Van Hulten said that besides the road transit levy based on the number of kilometres driven in Turkey (assuming the goods' destination was not that country) the new fuel charge would raise the lorries' average fuel bill by one and a half as much.

The State secretary said at a Press briefings at Schiphol Airport after his Middle East tour during which he had studied the general problems confronting Dutch road and waterway transport, that according to the figures given to him in Turkey, the number of lorries crossing that country had risen to about 55,000 a year. As a result of the increased traffic, costs connected with the country's roads had risen to Fls.2bn. annually, he said, adding that Turkey's road problems had increased steeply in the last few years as a result of the increased Middle East demands for goods and products with Turkey being the main transit country en route to the area by road.

China expands port facilities

BY COLINA MacDOUGALL

CHINA'S PROGRAMME of expansion of port facilities to handle its much increased foreign trade over the last two years has made rapid progress, the New China News Agency reports.

A number of new deep-water wharves have been put into operations along the coast. Among them are petroleum loading terminals which can accommodate 25,000-ton, 50,000-ton and 100,000-ton oil tankers and 10,000-ton berths for handling coal and mineral ores. Previously no Chinese port could handle tankers larger than 60,000 tons. At Chinhuangtao, on the Gulf of Pohai, the first stage of an oil terminal to serve the Peking-Chinhuangtao pipeline was also completed.

The port of Shanghai, the biggest in China, last year registered an all-time high in the volume of cargo handled although the actual tonnage handled has not been disclosed. This was due to the large-scale building work carried out since 1973. In the last two years 16 new or rebuilt deep water berths for 10,000-ton vessels have been added, bringing the total to 52. Six new docks and oil storage tanks have been constructed above the city, partly to accommodate offshore oil prospecting vessels.

At Shanghai also, railway lines, roads, warehouses, depots and other facilities have been added, and two automatic and coal and grain loading and unloading conveyor systems have been completed. The navigation course at the estuary of the Yangtse has been dredged so that 20,000-ton freighters can use the channel.

When all the projects currently planned are in operation, Shanhai's cargo-handling capacity will be increased by 40 per cent. The money spent on expansion since 1973 is as much as the total spent on the port in the previous 23 years.

At Whampoa, South China's largest port, which adjoins Canton, five new deep-water berths for 10,000-ton ships and seven for tugs were put into operation at the end of 1975. New roads and railways have also been built.

Large-scale harbour extension is reported at half a dozen other major ports, including Tientsin and Talien. New berths, warehouses, fuel depots, railways, road and repair docks are included in the project. All these new facilities should help to iron out some of the bottlenecks in transport which hampered the expansion of the Chinese economy 18 months ago.

U.K. mission to Cuba

Financial Times Reporter

A LONDON Chamber of Commerce and Industry mission leaves London on January 17 for a seven day visit to Cuba. Organised in conjunction with the British Overseas Trade Board, the mission led by Lord Ebbisham, a Vice-President of the Chamber, will endeavour to boost bilateral trade and identify future opportunities at a time of rapid development in the Cuban economy.

The 30 man mission, which includes representatives of Head Wrightson, Pye, Schroder Wagg, Plessey, Decca, GEC, BP, Perkins Engines, Sir William Halcrow and the Booker McConnell Group, strongly reflects priority sectors designated in the country's recently published first five year development plan.

Identifying the sectors offering best prospects for the U.K. at a recent Chamber seminar on Cuba, Trade Minister, Peter Shore said that Britain "was very anxious indeed" to co-operate in developing the Cuban economy. The opportunities Mr. Shore mentioned are in the development of the basic infrastructure with particular reference to ports and communications and the re-equipping of the sugar industry and associated irrigation works.

British exports to Cuba increased appreciably in 1975 reaching £36.5m. at the end of November compared to £22.9m. in the corresponding period of 1974.

U.K. trade in SE Asia

BY OUR OWN CORRESPONDENT KUALA LUMPUR, Jan. 12.

LORD GORONWY - ROBERTS, Minister of State at the Foreign and Commonwyealth Office, is here to preside over a conference of British ambassadors and high commissioners in South-East Asia, which among other things, will discuss a concerted effort to promote British exports and trade in the region.

The conference, which begins to-day is being attended by the ambassadors to Thailand, Indonesia, the Philippines, Burma, North Vietnam and Laos, and the high commissioners to Malaysia, Singapore and Brunei. It will review the political developments in the region, and Britain's role, especially its economic links in the area.

The conference will also be briefed on the British South-East Asian Trade Exhibition to be held in Kuala Lumpur in April. This exhibition is part of the effort to reassert Britain's economic presence in the region, which over the years, had been eroded through the general British disinvestment in the area, and by foreign competition, especially from Japan.

Greece settles power contracts

BY OUR OWN CORRESPONDENT

ATHENS, Jan. 12.

THE STATE-controlled Public Power Corporation (PPC) has awarded directly to Russia's Energomachexport the contract for two additional 300 megawatt units for its lignite-fired thermo-electric station at Ptolemais, northern Greece.

A PPC spokesman explained this was being done to compensate Energomachexport for the cancellation last year of a £47.5m. contract signed between the fallen military regime and the Soviet concern in 1973 for the construction of a 375 megawatt power plant at Philippi, Macedonia, to have been fired by extensive peat deposits in the area.

The protests of farmers whose land would have been expropriated for the peat mining and the discovery in 1973 of oil off the nearby island of Thassos caused the Government to have second thoughts and cancel the project.

Energomachexport had claimed £15m. in compensation. The value of the new contract has not been announced.

The PPC has also decided that is preferable to accept an offer from a consortium of West and East German companies, led by Krupp and Mashinenexport, for the supply of mechanical excavators and belt conveyors for its lignite mines at Ptolemais, rather than hold a new international tender.

The decision was taken after the consortium agreed to make a 25 per cent. discount on its original offer. The value of the equipment to be supplied is estimated at £42.5m. and Greek industrial companies will be participating to the extent of 25 per cent. of the total value.

The two contracts still have to be ratified by Parliament.

Meanwhile Minister of Industry Constantine Konofagos announced that the Government has decided to carry out drilling for oil in three locations in the Nestos Delta area of Northern Greece. The Minister said the specifications were being drawn up and will be sent to a limited number of U.S., French, Italian and Romanian firms which had expressed interest in competing for the contract.

Business with Brazil conference

A MAJOR conference, "Business with Brazil," at which leading Ministers, industrialists, and businessmen from Brazil and elsewhere will examine the prospects of the various industrial sectors and analyse the scope for companies from abroad, is being organised by the Financial Times. It will be held in Rio de Janeiro on March 10 and 11, 1976.

Brazilian Ministers will discuss policies for dealing with the immediate difficulties of the economy also outlining their strategies for the future. They will be joined by Ministers and leading businessmen and financiers from Europe, Saudi Arabia, Malaysia and Japan, presenting their own assessment of Brazilian finance and business opportunities.

The conference is being co-sponsored by Varig Brazilian Airlines and the Investors Chronicle.

Norway replaces U.K. as Sweden's main market

BY JOHN WALKER

STOCKHOLM, Jan. 12.

BRITAIN, TRADITIONALLY Sweden's number one overseas markqet now goes into second place after Norway. This follows a drop of 17 per cent. or nearly Kr.1.4bn. (£155m.) in Swedish exports to Britain during the January-October period last year which totalled Kr 6.55bn (£722m.), according to the Central Bureau of Statistics.

Exports to Norway during the period under review rose by nearly 9 per cent. to a total of Kr.6.6bn. (£733m.), West Germany followed in third place with exports up by 6 per cent. to Kr.6.0bn. (£670m.).

Exports to EFTA countries during the January-October period increased by 3 per cent. to a total of Kr.13.3bn. (£1.4bn.), while exports to Common Market countries dropped by 7 per cent. to Kr.26.3bn. compared with the same period in 1974.

Total Swedish exports for the January-October period of 1975 amounted to Kr.590bn., while imports were valued at Kr.581bn. But, the Bureau says that owing to a new customs procedure for imports, which went into operation on January 1, 1974, a direct comparison between the first part of the two years is not meaningful as imports during the early part of 1974 appear abnormally low.

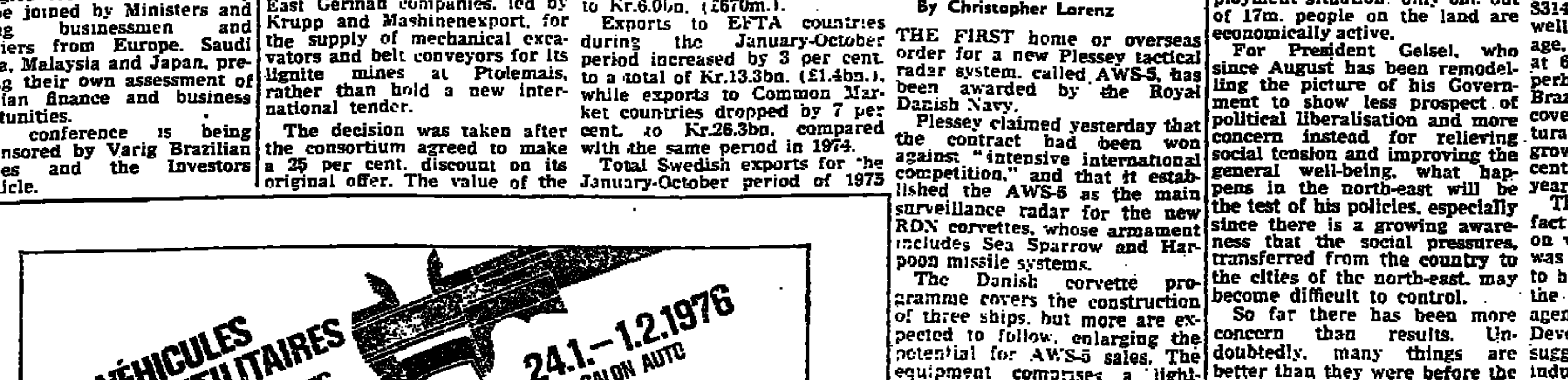
Danish order for Plessey

By Christopher Lorenz

THE FIRST home or overseas order for a new Plessey tactical radar system, called AWS-5, has been awarded by the Royal Danish Navy.

Plessey claimed yesterday that the contract had been won against "intensive international competition," and that it established the AWS-5 as the main surveillance radar for the new RDN corvettes, whose armament includes Sea Sparrow and Harpoon missile systems.

The Danish corvette programme covers the construction of three ships, but more are expected to follow, enlarging the potential for AWS-5 sales. The equipment comprises a lightweight stablised antenna and a high-performance transmitter-receiver which makes extensive use of digital techniques.



AMERICAN NEWS

Comptroller says Chase, Citibank are 'sound'

BY JAY PALMER

NEW YORK, Jan. 12.

MR. JAMES SMITH, Comptroller of the Currency regulating all Federally chartered banks, stressed to-day that neither First National City Bank nor Chase Manhattan Bank was in any danger of insolvency or financial collipse. "The two baks," he "both continue to be among the soundest banking institutions in the world."

Mr. Smith strongly criticised the Washington Post for publishing a "sensational" and "out of context" article saying that both Citibank and Chase are on the agency's problem list because of their relatively high volume of dubious loans.

The Post article, published yesterday on page one under an eight column heading, said that the two huge banks had been placed on the comptroller's "problem list" because their "classified" assets—loans and investments of dubious quality—amounted to more than 80 per cent. of their capital.

The article, which cited examination reports of the two banks made early last year, had an immediate impact on Wall Street this morning. In very heavy trading, the share prices of both banks' holding companies moved lower. At noon Citicorp's price had fallen $1½ to $29½, while Chase's was down $1½ to $27½.

Both banks to-day joined the comptroller in condemning the article. Mr. Walter Wriston, the chairman of Citibank, called the article "misleading, irresponsible and at variance with the facts" while Mr. David Rockefeller, the chairman of Chase, more mildly suggested that it was based "on information taken out of context." Both refused to confirm or deny that their banks were on the "problem list."

The various different problem lists used by different Federal and state banking regulators are all designed to identify individual institutions worthy of extra supervision and more frequent examinations. According to the Comptroller's office and that particular agency's criteria, some 150 banks now fall into this category.

Although Mr. Smith to-day specifically refused to comment on the current status of either Citibank or Chase, the Wall Street Journal this morning quoted unidentified Federal banking officials as confirming that they are both now on the problem list. Those same officials noted that this was a sheer technicality stemming from relatively large but containable loan losses.

Over the last half of 1975, both Citibank and Chase have disclosed loan losses of well above historic norms. However, both banks have pointed out that their "classified" assets do not exceed 10 per cent. of their total outstanding loans and that their increased loan loss reserves are well capable of handling the situation.

OPEC is 'handling surpluses responsibly'

NEW YORK, Jan. 12.

OPEC members have followed a responsible and constructive course in handling their petro dollar surpluses, Mr. Richard Debs, First vice-president and chief administrative officer of the New York Federal Reserve Bank, has said here.

He told the Forex Association of North America, that the monetary authorities of the oil producers have recognised the desirability of co-operation with other central banks.

He said that close co-operation has been developed between the Fed and the central banks of OPEC states to prevent disruptive flows of funds within U.S. markets and to ensure that market mechanisms continue to function efficiently in handling these flows.

Mr. Debs said that OPEC imports are likely to have reached the $60bn. level in 1975, compared with the $37bn. in 1974. At the same time, the OPEC current account surplus on a transactions basis was likely to have fallen to $35bn. last year, compared with almost $70bn. in 1974.

He said that there is little prospect for any net change in this surplus in 1976. Unless the economic recovery in the industrialised world gathers pace at a much faster rate than is generally expected now, OPEC oil income is not likely to grow more than 15 to 20 per cent., or $15bn. to $20bn. this year, assuming present oil price levels.

OPEC's surplus on a cash basis probably reached about $30bn. last year, down from $55bn. in 1974, Mr. Debs said. The U.S. share of OPEC investment funds probably held around 20 per cent. last year—at about $6bn.—although there has been a considerable shift in the composition of investment portfolios.

Mr. Debs said that there has been a marked shift from time deposits into U.S. Government and Government agency debt, which increased by about $4bn. last year.

There was also a dramatic surge of equity purchases in the U.S. by a small number of Middle East OPEC countries in the first ten months of 1975, he said, with reported purchases totalling about $1bn.

But, Mr. Debs said, "I have the general impression that total OPEC equity investments, largely through official accounts in the U.S. may well be double that figure."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euromarkets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per per cent. in 1974, and that new sterling investments in Britain —as opposed to the Eurosterling market—appear to have stopped. Reuter

Junta tries to reassure Ecuador

BY SARITA KENDALL

QUITO, Jan. 12.

THE POLITICAL tension of recent weeks in Ecuador has been deflated with General Rodriguez Lara eased out of the Presidency and replaced by a military triumvirate. Uncertainty over the political future remains, for there have been as yet no definite policy statements and no new Ministers have been named to replace the Cabinet which resigned on January 1.

The dissensions within the military which led Gen. Rodriguez Lara to resign, only a month before the fourth anniversary of his Army revolution on February 16, are unclear, but Vice-Admiral Alfredo Poveda, president of the new Supreme Governing Council, said yesterday that there is now "an extraordinary unity in the armed forces."

Civilian politicians, who last Friday published an optimistic manifesto supporting the "military movement," have quickly realised that power is not to be handed back to them immediately, and to-day's Quito newspapers carry statements denying that there has been any real change in Government, and calling for an immediate return to civilian rule.

Though the junta has announced that it will govern for only two years, there is clearly no intention of handing over to the existing civilian populist parties and plethora of ex-Presidents. Plans to "democratise" the Government and decentralise power are to go ahead, for they apparently represent ideas close to the heart of Vice-Admiral Poveda the dominant figure in the junta.

In a communiqué issued yesterday the junta said that all Ecuador's existing commitments will be honoured—presumably including membership of OPEC —and though foreign companies believe they will find things easier under the new Government, pressures from younger officers in the armed forces should ensure that a nationalist image is retained.

Argentinian kidnappings

By Robert Lindley

BEUNOS AIRES, Jan. 12.

AN UNPRECEDENTED wave of kidnapping in Cordoba, totalling 20 in the last ten days, has prompted the Archbishop of Cordoba, Monsignor Raul Primatesta, to appeal to the Third Army Corps garrisoned there for security measures.

Archbishop Primatesta in his sermon at Cordoba's cathedral yesterday spoke of "the grave moment of pain and preoccupation which is oppressing the human and Christian community of Cordoba." Cordoba is Argentina's second city.

The 20 kidnappings have been carried out by armed bands and may or may not be politically motivated. Apparently neither the police nor the military have any clues to the kidnappers' identities. The Cordoba police recognise only one kidnapping—apparently the only one which was reported formally to them — that of a 19-year-old male.

Sela assembly talks begin

By Joseph Mann

CARACAS, Jan. 12.

THE NEWLY established Latin-American Economic System (Sela) began its first extraordinary assembly here to-day with representatives of some 25 Latin-American and Caribbean nations attending.

Last week two Sela committees began discussions on the position the organisation will assume at the forthcoming meeting of the Group of 77 to be held in Manila, and at the fourth meeting of Unctad. The preparatory sessions also developed plans for Sela's activities during 1976.

● Over a thousand Venezuelan petroleum workers have meanwhile threatened to go out on strike in two weeks if the Government does not agree to turn over to workers a large part of employee cash benefits now held in trust by Venezuelan banks.

Guyanese property law

By Our Own Correspondent

GEORGETOWN, Jan. 12.

THE recent amendment to the constitutional right to property in Guyana does not mean that private property will no longer be allowed according to Mr. Forbes Burnham, the Prime Minister. In a radio interview he said: "This latest bit of legislation is certainly not aimed at personal property. It is certainly not aimed at property commercially used by its owner. It is aimed at getting hold of those large tracts of land not used or merely used as exploitative instruments and getting them into the hands of small individual, state and/or co-operatives."

He said that he announced that that one of the "clear criteria" for the state to acquire property under the new law must be that the property is needed for national development.

THE BRAZILIAN NORTH EAST

More concern than results

BY DAVID WHITE, RIO DE JANEIRO CORRESPONDENT

GOING INLAND from the coast, the road passes through rolling estates of young sugar cane, then up into a mountain belt of small farms and thick bush. Beyond the mountains, the land begins to empty, bearded with frail, bleached trees and cacti. From here on is the *caatinga*, the semi-arid backlands of north-eastern Brazil, a source of mediocre beef and cotton, stories of priests and bandits, and wiry, dark-skinned peasants who for generations have been drifting to the towns of the coast and the south.

The north-east is "the other Brazil." Its 31m. inhabitants, more than half of them on the land earning an average income of $190 a year, make up the biggest pocket of poverty in the Western Hemisphere. No Government programme has yet had a major impact, but for various reasons the region is now emerging in the forefront of political priorities for Brazil's military-backed leaders.

One reason is the very limited success of the industrialisation policy which has been the Government's main effort in recent years. Another is that its aims, including 10 per cent. growth a year, have been set back by a succession of "bad years"—drought in 1970, partial drought in 1972, floods in 1974, more floods in Recife last year, and maybe another partial drought just starting—and by the recession which has just caught up with textile and other sectors, aggravating a bad employment situation: only 6m. out of 17m. people on the land are economically active.

For President Geisel, who since August has been remodelling the picture of his Government to show less prospect of political liberalisation and more concern instead for relieving social tension and improving the general well-being, what happens in the north-east will be the test of his policies, especially since there is a growing awareness that the social pressures, transferred from the country to the cities of the north-east, may become difficult to control.

So far there has been more concern than results. Undoubtedly, many things are better than they were before the army took over 12 years ago. An Irish Redemptorist priest who runs a school in the outskirts of Fortaleza recalls the palm-roofed shacks, sand roads and open streams that have now been replaced by solid buildings and streets. Nine years ago there was no school in the district; now there are 18. There is health insurance, a literacy class, and an Oxfam housing project. But improvements are generally limited to a few areas, and development has notoriously fallen behind what went on in the south of Brazil, especially after 1968.

Efforts began two years ago to repair the gap, caused by the declining share of the North East in the country's economy,

but also by internal levies and budget policies which penalised the north east. The Government has an $11bn. spending programme for 1975-79 and last year doubled fiscal incentives to $314m. Regional growth is now well clear of the national average, with last year's estimated at 6-7 per cent. compared with perhaps 5 per cent. for all of Brazil. But this includes a recovery from a disastrous agricultural year in 1974. Industrial growth was cut to about 7 pe cent. from 12.4 per cent. the year before.

The recession underlines the fact that the industrial growth on which the "new Northeast" was to be based has so far failed to harvest. Recent figures from the SUDENE development agency (Superintendency for the Development of the Northeast) suggest that the proportion of industrial workers has not increased at all. Tax benefits have attracted low-employment industries, unable to absorb the movement to the towns, and often out of key with any overall planning policy. Attempts to set up agro-industry have so far produced one meat plant.

Apart from the economic mistakes, the institutions themselves have often proved deficient. SUDENE was first set up in 1958 to plan, supervise, and carry out development, but was cut down after the army coup to a planning agency, while the brain behind it, Sr. Celso Rurtado, was *cassated* (deprived of political rights, a mild form of banishment). The labyrinthine channels that took over its functions have been prone to blocking.

The set-up has been improved by a new funding agency, Finor, and the restoration to SUDENE of its supervisory role to look after a priority farm programme, Polonordeste. Under this, the Government has pledged over $300m. between now and 1977 for integrated projects in selected areas of the interior. The programme is seen as the first serious attempt to intervene in the rural areas. Because of its political importance, funds for the programme are virtually guaranteed, but no-one is sure how it will work against the acute problems of health, education and land tenure.

The most recent land census carried out in the northeastern states shows that roughly half the rural population farm areas of less than 24 acres, which in the semi-arid "drought polygon" is about a fifth of the minimum size needed to farm economically. In most states, these small farms add up to no more than a tenth of the total farmed area. The *caatinga* is mostly divided up among rambling *latifundios*, large areas of them unused.

There will be some redistribution of land. But while the government shows apparently genuine concern for the poor smallholder, there is no programme catering for the landless peasant, the sharecropper who receives no monetary income (this applies to a third of all rural workers in northeast Brazil) and can be evicted without notice. The campaign for a thoroughgoing land reform, led among others by Dom Hélder Câmara, now Archbishop of Olinda and Recife, before the military coup, hardly seems likely to be taken up by the authorities now.

However, some Government circles have started to press for a more radical approach to a region where there still are outbreaks of bubonic plague, where infantile mortality is 149 per 1,000 live births (almost exactly ten times the rate in Denmark), and where in 1971 nearly two-thirds of the children who should have been in primary school were not. These views were crystalised by Sr. Luiz Viana Filho, a highly regarded Arena (pro-Government) senator from Bahia, in an unusually outspoken speech which he later felt obliged to defned as "just a diagnosis, not a libel."

"The incontestable truth," he said, "is that at present no state of the North-east is in a position to fulfil the requirements laid down by the Constitution regarding primary education." Of 13m. illiterate over-16s in Brazil, 8m. were north-easterners. "Does one need to explain why the productivity of our agriculture is so low? . . . To my way of thinking, what is happening . . . is more serious than droughts, floods or epidemics."

Sr. Viana urged Gen. Geisel to review plans for the region "urgently and drastically" so as not to risk "threatening national security itself." The last remark is perhaps the most interesting, particularly at a time when the Fourth Army is fairly quiet and in a region which remains, electorally, in the Government's pocket.

The potential risk is not so much in the country, although there have been isolated attempts at land invasion, but in the cities such as Fortaleza, Recife and Salvador, which have become bloated with the influx of peasants. These have recently been added to by squatters expelled from Amazon land projects and disillusioned migrants returning from the South. With little to keep people on the land, the North-east is rapidly exchanging its rural problems for urban problems. Last year in Recife, the floods caused riots which Gen. Geisel claimed were fomented by "subversive agents." Another major drought like those of 1958 or 1970 might well be enough to trigger off an explosion.

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The Financial Times Tuesday January 13 1976

OVERSEAS NEWS

MPLA vows to continue fighting in Angola

Y OUR FOREIGN STAFF

ICAN leaders bitterly de-ng ways to end Angola's war agreed yesterday in s Ababa to go into a late-session amid hints that a ment was in the air.

Ve have made progress. We ear a compromise," Kenyan President Daniel Arap Moi after an afternoon summit ng of the Organisation of an Unity (OAU). It was hird day of crucial talks fusing the Angolan crisis.

lier yesterday, however, A Prime Minister Sr. Jose de Nasciemento said that ver the outcome of the meeting his army would fighting until it had won gola.

MPLA Prime Minister had d in Addis Ababa with five ners taken capture by his in Angola. Later he ed them at a Press confer-. Two of the prisoners were guese who had been ted in Rhodesia, they said. other three were regular South African troops who gave their names, rank and units. They were all tough-looking young men of around 18 or 19. They identified themselves as Riflemen Hendrik Potgierter, Ludwig Ketschoff and Piet Grunewald. They were attached to Pretoria's 5th Infantry Battalion and had been in Angola since December 14. They were all national servicemen and they said that they went to Angola because they were ordered to.

The OAU's 46 member states have been split down the middle over supporting the Soviet-backed Popular Movement for the Liberation of Angola (MPLA) and its two rival liberation groups which have Western support.

Conference sources said that the delegates were discussing a compromise resolution condemning South African intervention against the MPLA in the former Portuguese territory. This resolution also called for setting up a committee to study the problem further, the sources said.

But the summit meeting was still confronted by two opposing motions—one supporting the MPLA and the other calling for a ceasefire, withdrawal of all foreign forces and establishment of a Government of national unity. Officials said earlier that each resolution was supported by 22 countries, with two uncommitted—Uganda and Ethiopia.

Many delegates were deeply moved by an impassioned appeal from Zambian President Kenneth Kaunda for an Angolan Government of national unity, conference sources said.

Dr. Kaunda said that the war was "the most serious and tragic crisis" Africa had faced in the 12-year history of the OAU.

He added: "Decisions on Angola, effective decisions I mean, are being made in Moscow and Washington. Our failure to find a solution here confirms that the OAU has no power to shape the destiny of Africa. Power is in the hands of the superpowers to whom we are handing Africa by our failure."

In Nairobi, Botswana's President, Sir Seretse Khama, said that if the summit recognised the MPLA Government, "We might prolong the struggle and the killing," in Angola.

In Angola, pro-Western forces were reported to be holding their positions in a partial truce on the southern front line, and the Marxist administrators of Luanda are battling with strikes and a typhoid threat.

Since the Addis Ababa summit started, Unita and the FNLA have maintained a partial cease-fire on the southern frontlines. The unofficial truce, temporary and one-sided, was ordered last week by the two movements' leaders, who said that they wanted to give to OAU a chance to find an acceptable peace formula.

In Malanje province, MPLA forces have stopped a two-pronged offensive from the south, according to the Malanje military regional commander. In the northern tip of the province, he said, FNLA troops still occupy Massanga and Marimba.

Reports from Kinshasa said that FNLA troops had made a night parachute attack on hostile positions near Luanda and taken hundreds of prisoners. The troops also captured quantities of Soviet weapons, according to Zaire's Azap news agency.

In Brussels, South Africa's intervention in Angola and the general hardening in its attitude towards Black Africa was described as "alarming" yesterday by M. Claude Cheysson, the European Commissioner responsible for development affairs. M. Cheysson contrasted South Africa's former policy of restraint over Mozambique and Rhodesia and its apparent willingness to see South West Africa move towards independence with its direct intervention in the Angola civil war and the tougher statements now coming out of Pretoria.

...donesia ...eks more ...l revenue

...lamish McDonald

JAKARTA, Jan. 12.

...DENT SUHARTO of ...sia has given notice of an ...t by his Government to ...e more money out of ... oil companies. The ...an giant Caltex is under- ...o be the major target.

... Government's Budget for ...'6-77 financial year begin- ... April states that a $280m. ...e in oil corporate tax will ...from "the reduction of ...gained by oil companies." ... figure given in President ...'s speech to Parliament ...ek is the first public in- ... of the amount Indonesia ... gain from renegotiation ...ontracts that began early ...r and is still continuing.

...ugh the President said ...eeze would be effective ...nuary 1, his remark that ...ernment "sincerely seeks ...lerstanding of oil com- ...oncerned" seems to con- ...t no-unilateral changes ... made to contracts still ... to renegotiation.

...n oil companies produce ... per cent. of Indonesia's ...utput, estimated at a ...n of 1.6m. barrels a day. ... longest-standing pro- ... Caltex and Stanvac, ...or about 70 per cent. of ...n under older contracts ... while 32 other com- ...porate under the newer ...n-sharing contracts ... national oil corporation ...a.

...production-sharing con- ... intended to tighten up ...plit allowed the foreign ... The initial 40 per cent. ... allowed for costs is ... to 35 per cent., and the ...it on the remainder has ...anged from 65:35 to ... in the Government's ... This basic split now ... only to the first $5 ...on each barrel (subject ...inflation index). The ...bove that is split 85:15 ...panies producing under .../d, with the split rang- ... 95:5 in favour of the ...ent across higher pro- ...thresholds.

...g contracts are being ...vely renegotiated to ...n into line with the new ...ents, with the Govern- ...g the argument that the ...ained above $5 a barrel ...-74 represent a "wind- ... the companies.

Clash between guerillas, Army feared in Lebanon

BY IHSAN HIJAZI

BEIRUT, Jan. 12.

A HEAD-ON confrontation between the Lebanese Army and Palestinian commando movement is now feared here. In a deteriorating situation which evokes memories of the "Black September" conflict in 1970 between the guerillas and the Jordan armed forces.

The immediate danger of a clash was removed when the guerillas late last night released eight of the ten armoured cars and personnel carriers they had seized from the Army earlier in the day. But the incident has injected a new dimension into the nine-month-old crisis and aggravated the fraught relationship between the Palestinian commandos and the army here.

The ninth military vehicle was said to have been destroyed in the clash yesterday, while the tenth was under repair, commando sources said. The army, however, now insists that the commandos should hand over the weapons they seized from the 20 soldiers who were in the vehicles and later released.

The crisis developed during the night before the vehicles were released. The army command served a 12-hour ultimatum after high-ranking officers held a meeting with President Suleiman Franjieh.

The conflict between the Army and the commandos may explode without warning if such incidents recur. If this were to happen, an escalation of the crisis here to more serious heights would be inevitable.

Yesterday's incident between the army and the Palestinians has scuttled a promise by the army command to deliver supplies to the besieged Palestinian camp at the eastern suburb of Tal Al Zaatar. The seized vehicles were to carry the supplies to the camp, but the commandos and their Leftist allies insisted that the army should re-open the road to the camp.

It was the blockade by the Christian militiamen that triggered the new round of fighting, which has been going on for a week. With no end to the siege in sight, the fighting is gaining momentum.

It has spread farther south to Jieh, a Christian village just outside the port of Sidon. Fighting has intensified in and around the town of Zahle in the east, and in the north clashes were reported from Beirut's northern suburbs to Chekka, an industrial complex just outside Tripoli.

In Beirut, both sides have sent reinforcements to the seafront hotels district and clashes have continued unabated in the commercial centre of town.

According to press reports, about 70 people were killed in the past 24 hours. Unofficial reports put the number of those who lost their lives since the crisis began at 10,000.

Michael Tingay reports from Cairo: Egypt would intervene if Israel invaded southern Lebanon according to Mr. Osama El Baz, assistant to Mr. Ismail Fahmy, Egypt Foreign Minister.

Speaking yesterday before the Foreign Relations and Arab Affairs committee of the People's Assembly, Dr. El Baz announced "Egypt will immediately intervene if Israel attacked Lebanon"—adding that this was a national obligation to which the country was committed.

Iran pressed on price of crude

BY ROBERT GRAHAM

TEHRAN, Jan. 12.

IRAN is under increasing pressure to lower the price of its heavy crude oil as a result of a sharp fall in exports and oil revenues.

The production figures for December have not yet been published but are believed to show a substantial decline in liftings. The effect on anticipated revenue for the year March 1975-1976 is likely to be serious unless the trend alters.

Until recently, oil revenues were anticipated at $20.5bn. for the year. Now they are expected to drop below $20bn.

Problems over anticipated revenues are believed to be one of the main reasons behind the month-long delay in the publication of the Budget. There is still no indication when the Budget will be announced, partly because no final decision appears to have been reached on how to trim expenditures.

Normally, the ratio of sales of Iranian light crude to heavy crude has averaged out at 52/48. In the past six weeks, this has altered dramatically to 72/28.

Oil industry sources maintain that this is because Iran's heavy crude is much over-priced in relation to other Guf crudes, and buyers are hard to find with depressed world demand mainly favouring the lighter crudes.

Following the September 1975 OPEC meeting, Iran priced its light crude at $11.62 per barrel and heavy crude at $11.495 per barrel. However, in view of the poor market outlook for heavy crudes with a high yield of fuel oil, Saudi Arabia and Kuwait both decided to increase the differentials between their light and heavy crude.

Kuwait adopted a price for its heavy crude (31 deg. API) of $11.30 per barrel. Kuwait's customers say that this differential of 21 cents with Arabian light "marker" crude was still too small to be competitive.

The Kuwaitis consulted the Iranians on their new pricing, and though never publicly announced, the Iranians apparently accepted it. But this then left Iranian heavy crude—which, though having a lower sulphur content, has the same gravity as Kuwait's—way out of line.

Soviet-Japan talks start

JAPANESE Foreign Minister Kiichi Miyazawa said last night he had made no progress with Soviet Foreign Minister Andrei Gromyko in more than eight hours of talks on a territorial dispute holding up conclusion of a peace treaty, Reuter reports from Tokyo.

He said that the Soviet side appeared to be obsessed with a proposed Japanese peace and frendship treaty with China. The dispute is over four small islands off north east Hokkaido, Japan's most northern main island, which Russia occupied after the Second World War and Japan wants back.

Foreigners' respects to Chou En Lai

Peking's foreign community filed slowly into the ancient Forbidden City in the heart of the capital yesterday to stand briefly in silence before the small flag draped casket bearing the ashes of the late Premier Chou En-lai, a special correspondent reports from Peking. A large portrait of the Premier hung over the casket.

Seychelles talks

A final round of constitutional talks between Britain and the Seychelles is due to start on January 19 in London, our foreign staff writes. The islands hope to achieve it on June 28. But there are still outstanding points of disagreement. The Seychelles want the return of three small islands—Aldabra, Desroches and Farquhar—detached from the colony to form part of the British Indian Ocean Territory (BIOT) in 1965.

Nigerian oil

Nigeria is aiming to increase its revenue "take" on oil production by slashing the producing companies' overall profit margins by some 40 per cent., the Petroleum Intelligence Weekly reports, according to AP-DJ from New York.

Martial law

Criticism of martial law in Bangladesh has been made punishable with rigorous imprisonment for a term which may extend up to ten years, our Dacca correspondent reports. An amendment to martial law regulations of 1975 by the President and Chief Martial Law Administrator prohibits any criticism by written or spoken word

...DESIA CONSTITUTIONAL TALKS

...he vital issue: who gets the vote

...NY HAWKINS IN SALISBURY AND BRIDGET BLOOM IN LONDON

...ANISATION of African ...eting on Angola has ... overshadow the talks ... taking place in Salis- ...veen Rhodesian Prime ...an Smith and the wing ...rican National Council ... Mr. Joshua Nkomo. ...s, aimed at a settle- ...e 10-year-old indepen- ...pute, begin again on ...y. Both sides are ...uiet about what has ... so far, but the indica- ... that the new session ... get down to substan- ...s, and could there- ...e a break" the four ... discussions.

...ral issue is, of course, ...n demand for "imme- ...jority rule and Mr. ...arent unwillingness to

So far the talks have ...ched on this question, ...n concerned primarily ...dural issues. However, it now appears that, with the 1961 constitution as a base document, the dominant question of the franchise is at last to be tackled.

So far, at least for the purposes of discussion, Mr. Nkomo appears to have made a compromise in that he is prepared to accept some form of qualified franchise. Mr. Smith's comparable concession is acceptance of the 1961 constitution as a working document (it was after all to escape that constitution and its effects that UDI was declared) which involves acceptance of a common electoral roll.

But neither of these concessions gets the parties very far. The critical issue centres less on whether or not there is a common roll but on the franchise qualifications and the electoral delimitation arrangements. At the time of the 1974 general election 18 months ago, there were only 82,700 white, coloured (persons of mixed blood) and Asian registered voters on the so-called European roll and some 7,000 black voters on a separate African roll (the separate roll being introduced in the "UDI" constitution of 1969). This implies that to secure a majority of voters—assuming a balanced spread of voters across the constituencies—the Africans need only to raise their voting strength by less than 100,000. However, there are so many ifs and buts attached to such an exercise that the nationalists are unlikely to agree to so limited an increase in the number of black voters.

For a start, there is a large number of whites eligible for the vote who could register in a subsequent election. Just how large is simply impossible to calculate, because of the considerable net migration that has occurred in the past ten years. Secondly, the Nkomo nationalists would view any limited extension of the franchise with considerable reserve, because the bulk of the younger and more educated and urban blacks tend to support the "Muzorewa-Sithole" ANC.

Furthermore, any nationalist leader would be worried that the limited extension of the franchise might lead to a continuing black minority either because of the difficulty involved in assessing just how many blacks have any given educational or income qualification or because Africans may continue to boycott elections as they did after the 1961 and 1969 constitutions were introduced. This is a real possibility since Bishop Muzorewa and his followers have already said they will disregard any Smith/Nkomo settlement. Thus even with a theoretical majority of black voters, the whites could continue to hold power because of the nationalist split.

Rhodesia has always had a qualitative franchise with the vote being allowed only to those reaching stipulated income and educational levels. It is extremely difficult—if not impossible—to estimate how many Africans would, in fact, be eligible for the vote under any given franchise scheme, partly because there is no knowing the extent to which income and educational qualifications overlap.

The reported Vorster plan — alleged to have been drawn and supported by South Africa and Zambia in December 1974 — would have provided for Africans with six or seven years formal primary and secondary education to have the vote, regardless of income qualifications.

Such a scheme would, in all probability, enfranchise upwards of 60,000 Africans which combined with the number who could register on purely income qualifications could lead to something close to parity or a black majority. It is at this stage that delimitation—which could alter constituencies in favour of different sets of voters—becomes a critical issue.

However, observers here are sceptical of the practicability of a qualified franchise scheme even combined with new delimitations. One reason is that there are no records or certificates awarded when a scholar attains a standard seven or standard six education. Secondly—and more important—there is the flat political rejection in the last month by Prime Minister Smith and by the Lands and Natural Resources Minister Mark Partridge of any scheme leading to early black rule. Neither, for all the talk of "secret deals," is there any sign that Mr. Nkomo would accept less.

On the purely technical level, the experts on both sides will have to work hard in the coming days to produce even a basis for negotiation on the franchise. On the Smith side, the negotiating team is small, and so far there is little evidence of thorough-going research into possible compromises. The ANC team, already consisting of four expatriate constitutional lawyers, and boosted at the week-end by the arrival of three statistical experts, appears to be taking the talks seriously. But as with all the other attempts at settlement, the political gap between the two sides is so great that the chances of settlement still seem very slim.

One African was killed and another wounded when Rhodesian police opened fire on rioting Africans in the midlands town of Gwelo on Sunday night. The police blamed the external (Muzorewa) wing of the African National Council for the violence during which about 30 homes of supporters of the rival Nkomo faction were heavily stoned.

Three members of the Nkomo ANC issued a statement this afternoon warning "Muzorewa political thugs" to cease their activities.

The violence started when Nkomo supporters taunted the Muzorewa men at a beer hall with shouts of "Where is your leader?" (Bishop Muzorewa has been in involuntary exile from Rhodesia for more than six months.) The Muzorewa men retaliated and moved out in the streets of the township calling on Africans to declare their allegiance to the Bishop. The riots, the first in Rhodesia since July last year, lasted for about two hours. A number of arrests were made.

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EUROPEAN NEWS

Cheysson reassures farmers

By Robin Reeves

BRUSSELS, Jan. 12.

THE FAILURE of the European Community to develop its global Mediterranean trade policy would have meant condemning to death the Lome Convention linking the EEC and 46 African, Caribbean and Pacific developing countries. M. Claude Cheysson, the Brussels Commissioner for Development Affairs, told a Press conference here to-day.

Welcoming the conclusion of negotiations on the new reciprocal trade, aid and co-operation agreements with Tunisia and Morocco, and looking forward to a similar tie-up with Algeria late this week, M. Cheysson said they showed that the Community was willing to re-integrate parts of its industrial economy with non-EEC members.

The ambition of Lome was also to graft bits of the economies of the developing countries concerned on to Europe on the basis of partnership, but this required little sacrifice on the part of the Community, since the Lome countries at present had little industrial scope.

But now that the Mediterranean policy was beginning to take concrete shape with its ultimate objective of creating a free trade area between the EEC and potential industrial competitors in the Mediterranean region, the Community had demonstrated its willingness to integrate certain parts of its industrial economy with countries outside.

Backing for Moro in search for new Italian Government

BY DOMINICK J. COYLE

ROME, Jan. 12.

AS PRESIDENT GIOVANNI LEONE to-day began the constitutional process of consultations in an effort to find a new Government for Italy, the Christian Democrats formally confirmed earlier speculation that Sig. Aldo Moro, the outgoing Prime Minister, was the Party's unanimous choice to head any new administration.

Although not necessarily conditioned by it, this move was probably facilitated by the news that Sig. Francesco de Martino, on behalf of the Socialist Party, had indicated that Moro would be acceptable to the Party. This acceptance came despite earlier reports that the breakup of the last minority coalition had resulted in considerable personal animosities between the Socialist Party's secretary and the former Premier.

President Leone will see delegations from all the political parties to-morrow, but it is already clear that the Socialists, who brought on the present crisis by withdrawing their external support in Parliament from the Moro Government, hold the key to the question as to whether there can be a new Government short of bringing forward the general elections scheduled for the spring of 1977.

The Socialists, in a statement last week announcing their withdrawal from the Government, insisted that any new coalition administration to which they were to be a party would have to include a "contribution" from the Communist Party, but Sig. de Martino's party now appears to be dropping this precondition, thus making it easier for the Christian Democrats to try for a new rapprochment with the Socialists.

The Communists, too, are showing no anxiety to get involved directly in the Government process, and indeed the present crisis generated deliberately by the Socialists has disturbed the Communists' schedule to use the next 12 months or so in a process of trying to make more acceptable both in Italy and abroad the so called "historic compromise," or formal arrival of the Communists in the Government.

The Socialists, meanwhile, are to meet to-morrow to formulate "a series of economic measures" intended to be the price of the Party's participation in any new Government.

President Leone's consultations with the political parties are due to end to-morrow evening, and the consensus in political circles here is that a new Government may emerge shortly thereafter, or else that the impasse will only be resolved by new elections.

KGB men 'expelled by Danes'

THE DANISH Government discreetly expelled four KGB agents in October last year, according to the newspaper Berlingske Tidende. Hilary Barnes writes in Copenhagen.

"The agents were mainly concerned with industrial and scientific espionage, said the paper, showing special interest in companies likely to receive orders for parts for the American F-16 jet fighters which Denmark has on order.

The paper adds that the position of a fifth man, still in Copenhagen, is being considered by the authorities.

Antunes begins Europe tour

Portuguese Foreign Minister Melo Antunes began an official visit to Hungary, the first stop on a Central European tour, Paul Lenvai writes in Vienna. On Wednesday, the Minister is expected to leave for Prague and during the week-end he is scheduled to have a meeting in Vienna with the Portuguese ambassadors stationed in Eastern Europe.

Polish Bishops against changes

Poland's Primate Cardinal Stefan Wyszynski has voiced the episcopate's opposition against a new constitution which stresses the guiding role of the Communist Party, UPI reports. The Cardinal, in a speech on Sunday, said the Polish bishops have filed a letter to the Government specifying their stand on such questions as "the family and its position in the State." Parliament is to approve the changes next month.

Wider French trade gap seen

France's trade deficit could rise to around Fr.12,000m. to Fr.15,000m. this year, calling for a slight adjustment in the exchange value of the franc as well as foreign loans to finance it, Banque de Paris et des Pays Bas said, according to Reuter.

Swiss living costs up 3.4%

The Swiss cost-of-living index at the end of 1975 was higher by only 3.4 per cent. than a year earlier, John Wicks writes from Zurich.

Bankruptcies up 21% in Germany

The number of bankruptcies in West Germany in the first 11 months of 1975 rose by 21 per cent. against the same period in 1974, *according to the Federal* Statistics Office quoted by UPI.

New Oslo Cabinet

Norwegian Premier-designate Odvar Nordli announced his new Cabinet team and said there would be no change in Norway's foreign and domestic policies, Reuter reports from Oslo. Mr. Nordli, 48, who succeeded Mr. Trygve Bratteli, has dropped six Ministers in the Bratteli Government while two others have been given different posts.

Maltese prepare

Malta's opposition Nationalist Party is preparing plans to find the funds and provide for Malta's defence after Britain withdraws completely after 1979, Godfrey Grima reports.

Paris to buy 'a little' IMF gold

BY RUPERT CORNWELL

PARIS, Jan. 12.

FRANCE will buy gold from the IMF as soon as sales begin of the 25m. ounces of the Fund's stock which has been allotted to finance a trust fund for the world's poorest countries.

This was reaffirmed to-day by the Finance Minister, M. Jean Pierre Fourcade, at a reception to mark the traditional exchange of New Year greetings with the Press.

According to M. Fourcade, the Bank of France would "buy a little"—perhaps in some two months' time when the first IMF auction is expected to be held.

Under the agreement reached by the Group of Ten richest nations and subsequently ratified by the Fund's 20-member interim committee in Kingston, the purchases will be made with the Bank For International Settlements acting as agents.

The whole question will almost certainly have been examined informally to-night by the Group of Ten Central Bank governors in Basle, where they have gathered for a regular, but curtailed monthly meeting at the BIS.

M. Fourcade said that French purchases would be to adjust the gold/currency ratio of the country's reserves. Although the metal accounts for almost two-thirds of the Bank of France's Fr.100bn. holdings, the authorities here consider that exchange market intervention in the past couple of months to prop up the dollar and especially the D-mark against the franc, has pushed up their currency components excessively.

Only time, of course, will tell whether these "balancing" purchases amount to anything like an effort to keep the price of gold reasonably near what M. Fourcade has predicted as a likely range of $130 to $140 per ounce. It is, however, in the interest of the poor countries and the IMF itself that the bullion price does not drop too far from its present level of around $136.

M. Barre becomes French Minister of Trade

BY ROBERT MAUTHNER

PARIS, Jan. 12.

M. RAYMOND BARRE, a former Vice-President of the Common Market Commission, was to-day appointed France's Minister of Trade after a minor reshuffle of the French Cabinet which produced only three Ministerial changes.

All the most important Ministers, notably M. Chirac, the Premier, M. Sauvagnargues, the Foreign Minister, and M. Poniatowski, the Interior Minister, kept their posts, while M. Lecanuet, the Justice Minister, was given the additional title of Minister of State, a promotion which puts him on an equal footing with M. Poniatowski. There are only two Ministers of State in the Government at the moment.

The appointment of M. Barre has been taken as an indication of President Giscard's continued strong interest in European co-operation and integration, but it was not immediately clear why M. Norbert Segard, whom M. Barre replaced as Trade Minister and who now becomes State Secretary for Posts and Telecommunications, appears to have been demoted.

M. Segard has been highly successful in promoting French exports round the world.

The other two new Ministers are M. Jean de Lipkowski, a Gaullist and former State Secretary for Foreign Affairs under the late President Pompidou, who becomes Minister of Co-operation (relations with Frances' former colonies, now independent) and M. Andre Fosset, who has been appointed Minister for the Quality of Life.

M. de Lipkowski and M. Fosset replace the two oldest members of the Government, M. Pierre Abelin and M. Andre Jarrot, both of them 66.

Among the State Secretaries, perhaps the most interesting appointment is that of M. Jean-Francois Pencet, the head of a steel company and son of a well-known diplomat, to the Foreign Ministry, where he is expected to have special responsibility for European Affairs.

The reshuffle, which has done little to change the present political balance of the Government, has increased the number of women Ministers from four to five.

'Cautious expansion' by Sweden

BY WILLIAM DULLFORCE

STOCKHOLM, Jan. 12.

SWEDEN, which succeeded in maintaining near full employment in 1975 at the cost of a sharp increase in its foreign debt, will continue to pursue a "cautiously expansionary" policy this year, Mr. Gunnar Strang, the veteran Finance Minister, said to-day, when presenting his 21st national budget to Parliament.

Industrial investment is to be stimulated, in order to boost the nation's exporting capacity and reduce the present unprecedented current account deficit to nil by 1980. The budget statement included a mild warning on the need for wage restraint but otherwise ignored last week's renewed demand from Mr. Pehr Gyllenhammar, Volvo's managing director, for a wage freeze in 1976, to enable Swedish industry to recover its competitive position.

The budget deficit is scheduled to rise by Kr.1bn. to Kr.12bn. (£1.35bn.) after a 10.4 per cent. increase in total expenditure to Kr.110bn. (£12.3bn.). In addition to Kr.3bn. for industrial expansion, the non-automatic increases go to improved pensions, unemployment relief and family policies, mostly an increase in the number of day nurseries for children.

The volume of exports is expected to grow by 6.5 per cent. this year following an 8.4 per cent. decline in 1975. Forest products are expected to contribute most to the recovery, while only marginal increases are noted for iron and steel and engineering.

The current account deficit is scheduled to drop to Kr.5bn. (£555m.) after an estimated loss of Kr.7.5bn. in 1975. Foreign borrowing will continue, resulting in an annual debt servicing of about Kr.1.2bn. (£135m.) by the end of this year and somewhere between Kr.2bn. and Kr.3bn. by the end of the decade.

The exporting industries will be boosted this year by a Kr.1.5bn. (£167m.) increase in the share capital of Staatsfoeretag, the State holding company, a further Kr.500m. from the national pension fund for investment in private company shares, continuing release of blocked investment and environment funds and more financial support for production stocks.

Romania settles U.K. war debt

BY DAVID LASCELLES

AFTER NEARLY 30 years of wrangling, Britain and Romania last night agreed on the settlement of Romania's outstanding debts to Britain. The debts cover Romanian bonds held by British nationals, compensation for oil company property nationalised in 1948 and a number of commercial and other debts incurred during the war.

Under an agreement signed in London by Mr. Roy Hattersley, Minister of State at the Foreign and Commonwealth Office, and Mr. Florea Dumitrescu, the Romanian Finance Minister, Romania is to pay Britain £3.5m. in four equal annual instalments starting next December.

In return, Britain has promised to lift restrictions on the import of Romanian oil products and to extend £100m. worth of ECGD credits to Romanian importers

Distribution of the Romanian compensation will be handled by the Foreign Compensation Commission which will examine claims and pay money out of a specially established fund. The settlement does not cover claims lodged by the Shell oil company which is negotiating separately.

The Romanians last night appeared to have driven a hard bargain. According to British estimates, the total value of the Romanian debt lay between £20m. and £40. But exact figures were difficult to calculate, and some claims had already been met under a 1960 settlement of £1.25m. for seized British property. Much of the debt is accounted for by Romanian Government 4 per cent. bearer bonds which have recently been quoted at 17p.

Dutch business leaders protest

By Michael Van Os

AMSTERDAM, Jan. 12.

CHAIRMEN of nine Dutch-based international companies have taken the unprecedented step of writing jointly to the Government and Parliament in The Hague to express their "great concern" about the national Dutch economic situation and certain "dangerous trends."

The nine, whose companies include Shell, Philips, Unilever, and Akzo, say in to-day's declaration, which amounts to a sharp attack on many of the Centre-Left Government's economic policies, that the problems were often structural and therefore went much deeper than the effects of the international recession.

Solutions must urgently be found for the big rise in wages costs—taxes, social premiums, Government levies, and so on—without exerting undue pressure on incomes.

A "radical change" in the Dutch entrepreneurial climate with a "positive approach" to business in Holland is needed, while avoiding policy declarations and pronouncements "that could undermine the confidence at home and abroad in the opportunities offered by Holland."

Thirdly, the chairmen urge a joint effort from all social partners aimed at a policy to secure full employment, prosperity and welfare in the future.

The declaration adds that Holland is a small country and more dependent on foreign trade than almost any other. But in recent years its competitive position has sagged considerably and so has company profitability. As a result, renovation and expansion is being seriously impaired by the financially weak state of companies.

Three admit consultancy link with Gulf

By Michael Van Os

AMSTERDAM, Jan. 12.

THE ISSUE OF CONSULTANCIES for Parliamentarians is being hotly discussed in Holland to-day. This follows the admission by three well-known Dutchmen, including an MP, to-day that they acted as consultants to the U.S. Gulf oil company in Holland between 1972 and mid-1975 when the company was the subject of very negative publicity. It had largely been caused by major environmental problems involving Gulf's new ethylene plant at Rotterdam, which at *one stage was due to be closed* down by the local authority.

The develations follow the U.S. report by a committee headed by Mr. John McClosky about possible political payments made in the past by Gulf, and naming the three Dutchmen.

The men are Mr. B. Roolvink, a senior member of the "anti-revolutionary" party A.R., which is a coalition member and whose parliamentary chairman was unaware of the consultancy, Mr. Norbert Schmelzer, Foreign Minister in previous cabinet, and Mr. Ferry Hoogendijk, editor of Elseviers Magazine, Holland's biggest weekly news magazne.

They issued to-day's statement, after speculation appeared in the Press.

HEALTH SERVICES IN GERMANY

Feeling a bit queer

BY ELGIN SCHROEDER, IN BONN

THE WEST GERMAN health service is running into troubles like the British, though the issues are admittedly very different.

The Bonn Government is alarmed by the spiralling costs which threaten to be nearly twice as high in 1978 as in 1974. All parties in the Parliament agree that something must be done, but there is no agreement on who is to blame for this state of affairs or what to do about it. The Christian Democratic opposition criticises the Government for the continuously increasing burden of the compulsory health insurance system and demands—without presenting a concrete recipe—that citizens should take on more responsibility for their medical bills. The coalition partners, the Social Democrats and the Free Democrats, quarrel with growing heat about the introduction of a cost freeze or of a greater direct contribution by the patient to the costs of his treatment.

Although the shortcomings of the system are now apparent, there is no talk of nationalising medical services along British lines. At their party congress in Mannheim in October the Social Democrats came out strongly against that idea.

But Chancellor Helmut Schmidt does want changes. Planning and co-ordination of the health services must be improved, and hospitals must be run economically. He even feels that some structural reform of the system is necessary, involving as it does around 1,500 official health insurance companies, many with backward management and an uneconomical set-up. They are mutual insurance companies, run on a non-profit-making basis and known as Krankenkassen. Unlike private insurance, they may not discriminate against members with a medical history.

The official sickness insurance organisation is the central element in the West German health system. It is bargaining partner, and some would say a subservient one, of the well organised doctors, chemists, hospitals, and pharmaceutical industry. Without direct state supervision, it negotiates their fees and bills with them. Payment is made from the contributions of employees and their employers. Each of these pays one half of an insurance contribution that now equals 10.8 per cent. of the insured's wage or salary. Only a prescription charge of up to DM2.50 (about 47p) has to be paid direct by the insured. There are plans to raise it to DM4. All other recognised forms of treatment are paid for by the Krankenkassen.

The insurance covers examinations for early diagnosis, medical, dental and hospital treatment and the provision of medicines. It also pays for health cures at spas and certain precautionary examinations. The insured receives his pay from his employer for the first six weeks off work, after which he gets sick pay from the insurance scheme amounting to 75 per cent. of his wages. Dependent family members, pensioners, and unemployed persons are covered without paying contributions or prescription charges.

About 90 per cent. of the population are insured by this official system. Only 8.5 per cent. are private patients. The rest, such as students or civil servants, either have some other form of insurance or are not insured at all. All wage earners must be members. Salaried employees must contribute if their monthly pay is under DM2,100. That ceiling is going to be raised to DM2,325 on January 1, 1976. Some official sickness insurance schemes have already announced that they will increase contributions to over 12 per cent. of pay simultaneously. That will bring the highest monthly contribution (shared between employer and employee) to DM281.30 from DM2[illegible].60 at the moment.

> German hospitals have extremely high personnel costs and in certain regions there are too many beds, which leads to many patients being kept longer than necessary

Contributions have been rising for years and if the trend is not stopped, contributions will be equivalent to 15 per cent. of pay by 1978. Attacked by the public, the official insurance companies argue that they are forced to raise contributions because the state has not issued strict guidelines to control the soaring charges of all medical services. In 1974 the total expenditure of the official insurance companies amounted to over DM50bn., five times as much as in 1960, against members' contributions of only DM48.6bn. The rest had to be covered from reserves. A further estimated 20 per cent. increase of expenditure occurred in 1975.

Of total spending, nearly one-third was paid to hospitals, an amount 32.4 per cent. higher than in 1973. Doctors were paid DM9.7bn. (up 12.3 per cent.), and DM5.1bn. to dentists (up 14.6 per cent.). Drug costs rose by 14.4 per cent. to DM7.7bn. The rest was divided up between sick pay, cures, and administrative costs.

Faced with these figures a great national soul searching has been going on. Experts have determined the reasons for the health cost explosion to be as follows:

Rapid medical - technological progress (which makes every hospital and doctor feel that they have to have the latest and most expensive medical equipment); the changed pattern of disease (there are more serious long-term patients suffering from cancer or heart conditions); the higher average age of the population; the growing demands of patients (for instance, better hospital rooms, more visits to spas, more extensive dental work); excessively high doctors', dentists' and chemists' fees; a lack of competition in the pharmaceutical market; lack of co-ordination betwen the treatment of a patient in a doctor's surgery and subsequently in hospital.

While all parties getting a share of the money are happy to blame the first three reasons alone, and possibly the greedy patient, they cannot escape increasing criticism. Doctors and dentists are earning extremely high incomes. In 1974 the average doctor's income was around DM130,000 (about £25,000) a year before tax, earnings comparable to those of relatively few industrial managers, bankers, and federal ministers. In 1975 the doctors agreed to accept no more than a minor increase of fees of 2.29 per cent.—but stepped up the number of tests carried out—each at its own fee—and the number of patients they see in their normal hours. As a consequence doctors' incomes will again rise by up to 20 per cent.

Pharmaceutical companies charge wildly varying prices for the same medicament. Insurance companies demand that doctors check against a so-called Red List of expensive medicines to see whether they cannot prescribe a cheaper alternative. The Government has already told the health insurance companies to reduce their medicine bills by 2 per cent. and has reduced by 3.4 per cent. the target prices of drugs sold to them.

German hospitals—run by charities, the churches and local authorities—were told by the Government in 1972 to charge their full running costs to their patients. Investment costs for new hospitals are split between the Government and the *Laender* on a one-third/two-thirds basis. They have more than enough staff, including doctors, and excellent medical equipment. But they also have extremely high personnel costs and in certain regions, there are too many beds, which leads to many patients' being kept longer than necessary. The long average stay in West German hospitals—18.3 days against nine days in the U.S. at DM100 to DM220 (about £19-£42) a day—adds to hospital costs. Costs are further inflated by the strict separation of patients' treatment in doctors' surgeries from hospital treatment, which often causes examinations to be repeated without need.

In a scheme based on individual contributions it is the majority of voters who foot the bill—and can see how big it is. The politicians can ill afford to ignore their outcry in 1976, an election year.

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CHRYSLER
UNITED KINGDOM

HOME NEWS

Only half rail system is basic, says Marsh

BY JAMES McDONALD

THE "BASIC" railway system was probably a little over half the present route mileage, Sir Richard Marsh, chairman of the British Railways Board said in London yesterday.

He told the Chartered Institute of Transport that another effort by the Board to stimulate progress towards a long-term transport policy was being undertaken.

"It is clear that we cannot continue in a situation where vast sums of public money are poured into an organisation, the objectives of which are clear to no one."

Allocation of resources to the railways and the political-social aspects of railway policy must be, ultimately, the responsibility of the Government.

"My staff have been engaged in an effort to identify 'the Basic Railway' — that is to say, that part of the railway activity about which there is little controversy—the heavy long-haul freight traffic and the financially attractive inter-city services."

Although the basic railway was rather more than half the present route mileage it carried a much higher proportion of traffic.

"It would still not be viable in a conventional commercial sense but, because it would consist of those activities for which railways are clearly best suited, it would be cheaper.

"There is much talk when discussing the railway of route mileage that it is sometimes forgotten that the crucial argument is not mileage but the amount of support the community is prepared to provide. It can only do this if it is given some indication of the specific services it is purchasing.

"It will then be for the Government to spell out the non-commercial objectives which should determine the future of those activities which cannot be admitted within the definition of the basic railway."

This would allow British Rail, for example, to discuss rationally the case for—and the cost implications of—providing services in Scotland and Wales.

"It would enable us to discuss rationally the scale and quality of the London commuter services

"I am convinced that if we do not move rapidly towards a more rational policy for the railway we will be faced with a system that will rot to a point where the quality will decline as the cost rises and the long-suffering taxpayer will be faced with even less value for his hard-earned cash than he gets at present.

Although any Government had a natural urgency to see positive achievements within four or five years, an industry on the scale of British Rail must look much further into the future.

It was extraordinary that any business should be allowed to drift into a position where it was fixing short-term objectives but had no long-term strategy.

The railway policy review interim strategy was accepted by the previous Government in 1973. Since then the investment needed to carry it out had been cut by 35 per cent.

● The rail unions accused the Government yesterday of virtually completing its review of transport policy without consulting them or the British Rail Board—in spite of assurances that they would be involved in long-term strategy. They are to call a meeting next week of the 13 MPs sponsored by railway unions and also want to meet the Conservative Commons transport committee and Liberal MPs.

Mr. Elliot Richardson, the U.S. Ambassador, and Sir Richard Marsh, chairman of British Rail, open an exhibition of mini-computers and peripherals at the U.S. Trade Center.

All of these Securities have been sold. This announcement appears as a matter of record only.

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January 13, 1976.

Surplus likely for Post Office

By Donald Maclean

THE POST OFFICE expects to make a surplus in the current financial year in its overall activities, and looks forward to the 1976 calendar year "with much more confidence than in 1975."

The composition of the committee to review the Post Office was announced yesterday by Mr. Eric Varley, Secretary for Industry, two months after the appointment of its chairman, Mr. C. F. Carter, and almost five months after the decision to set up a review body was announced.

At the same time, as part of a series of announcements affecting the Post Office, it emerged that a £700,000 telephone exchange at Rochdale was to be left empty for as much as two years.

In the Post Office Corporation's staff newspaper, Sir William Ryland, the chairman, predicts another hard year for the corporation, but says that there is also a bright side.

"We can be satisfied we are on the right road, but there is still a long way to go and the journey will often be difficult."

Suffering

Post Office prices, he says, are "nearer what they should be." Although business had been lost through higher prices, the effects had not been "as big as many pessimists forecast." Post offices all over the world, said Sir William, "have been suffering like ourselves—many more so." But the quality of service had been improved, and Post Office staff "must maintain and reinforce this improvement if we are to win back lost trade."

As far as the current financial year is concerned, it appears that Christmas traffic rates, which fell in reflection of higher postage charges, have not been so severely reduced as to destroy the corporation's earlier hopes of an overall surplus for 1975-76.

It was announced last week by Sir Edward Fennessey, deputy chairman of the Post Office and managing director of the telecommunications side, that the corporation should beat its telephone service target of £80m. profit. The postal services compensation of £70m. on postal services, it now seems, is unlikely to be taken up in full.

The setting-up of a review of the Post Office was announced by the Government in August, following its decision to approve price increases last autumn which were estimated to bring in £284m. in the current financial year. An independent inquiry had been recommended by the Post Office Users' National Council.

Committee named by Varley

MR. ERIC VARLEY, Industry Secretary, yesterday named the committee which is to review the Post Office.

The appointment of Mr. Charles Carter as chairman has already been announced. The other members are: Mr. Leslie W. Buck, general secretary of the National Union of Sheet Metal Workers, Coppersmith and Heating and Domestic Engineers; Mr. Brian Smith Kellet, deputy chairman of Tube Investments; Sir George Macfarlane, recently controller, Research and Development Establishments and Research, Ministry of Defence; Miss Rosemary McRobert, director, Retail Trading Standard Association; Mr. Edward R. Nicholson, of Peat Marwick Mitchell and Co., U.K.; Mr. David Sainsbury, financial director of J. Sainsbury; and Mrs. Maureen Waddilove, Citizens' Advice Bureau.

Telephone exchange stays empty

By Christopher Lorenz

A NEW aspect of the slump in telephone traffic, and its effect on the Post Office's financial position, emerged yesterday with the news that a nearly-completed £700,000 telephone exchange building at Rochdale is to be left empty, possibly for up to two years.

Under normal circumstances, the PO would have been already installing switching equipment in the trunk transit exchange, but demand is now far below the levels expected when the building process was set in motion in the late 1960s. The waiting list had been cut from 218,000 three years ago to well under 70,000 and was still falling, Sir William Ryland, the PO chairman, said yesterday.

The mothballing of the Rochdale exchange is the first major example of the inevitable underutilisation of exchange floorspace which must follow last autumn's swingeing cuts in PO orders to the switching equipment manufacturers; the cycle on this equipment is only a fraction of that needed to plan and construct a new building.

The PO said last night that Richdale was the only new "group switching centre" to be affected in this way at the moment, but the economic situation suggested there might be other examples in the future.

Benn pays £40m. to Burmah in advance of Ninian deal

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT has made a £40m. advance payment to Burmah Oil as part of a deal for the transfer of the company's stake in the North Sea Ninian Field to the State-owned British National Oil Corporation.

The cash payment will enable Burmah to continue its share of the development in both the Ninian and Thistle fields, now costing the company £8m.-£10m. a month. In the meantime, however, the Government is negotiating terms for the transfer of the whole, or a substantial part of the company's North Sea assets to BNOC.

The advance was announced in the Commons yesterday by Mr. Anthony Wedgwood Benn, Energy Secretary, who immediately came under attack from Mr. Patrick Jenkin, Opposition energy spokesman.

"It is bizarre that, on the very morning Transport House is warning that, even to stick to the public expenditure proposals is going to mean a 10 per cent. increase in the rate of taxation on every tax across the board, the Government should be squandering this money on buying up the private sector," said Mr. Jenkin.

He asked how long the Government would persist in following its "futile, doctrinaire" approach to one of Britain's most important industries.

Mr. Leslie Huckfield (Lab., Nuneaton) asked whether the British National Oil Corporation would get the best bargain if the Government was opting for the acquisition of just the Ninian field instead of both Ninian and Thistle.

Mr. Benn replied, however, that the Government had not shifted its position from its December statement when it was announced that the State had offered to buy a whole or significant part of Burmah's North Sea assets.

Committed

Nevertheless, Mr. Benn's statement seems to confirm industry speculation that the Government will buy only Burmah's stake in the Ninian Field (estimated at 21-22.5 per cent. of total reserves) and leave the company to negotiate a participation agreement with BNOC over its 16 per cent. stake in Thistle.

As things stand, Burmah is committed to spend about £300m. as its part in the development of the two fields: £240m. on Ninian and £60m. on Thistle.

About £75m. had been spent at the end of last year, of which £40m. had gone on Ninian. It is probably no more than coincidence that the Government's advance is £40m.

According to some in the oil industry, Burmah is asking for a sum as high as £120m. for its Ninian stake, although a leadi[ng] stockbroker has valued the [...] assets at nearer £50m. [...] This does not take into acco[unt] compensation for the £[...] far invested by Burmah.

In negotiations with [the] Government, Burmah [has] stressed that it is importa[nt to] retain a stake in Thistle w[hich] it sees as crucial to its ho[pes] for revival.

Thistle will be on stream [this] year, yielding much [...] revenue, while Ninian is not [due] to start up until 1978 at [the] earliest.

On the other hand, Bu[rmah] is operator for the Thistle [...] group and the Government m[ay] have wanted to transfer [the] company's role and staff to B[NOC] to give the newly created [...] undertaking an initial boost.

The off-shore assets and [...] the National Coal Board [have] already been transferre[d to] BNOC, however, and the [cor]poration may feel that with [...] assets, the prospects of acq[uiring] Ninian, a number of [par]ticipation agreements in [the] pipeline and an active ro[le in] the new round of licen[ce] allocations later this year, it [has] enough to keep itself occu[pied] for the time being.

No doubt these issues wi[ll be] discussed by the new B[NOC] Board when it meets in Gla[sgow] to-morrow.

See Lex, Back Page

North Sea partners raise £12m. loan

BY RAY DAFTER, ENERGY CORRESPONDENT

A £12m. LOAN has been made available to a consortium of offshore oil operators to buy equipment and services in the U.K. for the important Statfjord oil field.

The field, the biggest so far discovered in the North Sea, straddles the Norwegian/U.K. boundary. Phase one of its development will be carried out on the Norwegian side, which has a greater proportion of the recoverable reserves, now estimated at 3.9bn. barrels.

The loan, made available by the National Westminster Bank and backed by the Export Credits Guarantee Department, will be used by the consortium to buy equipment and services for phase one of the field's development.

The initial phase consists of a concrete production platform, being built in Norway, and a single point mooring buoy for offshore loading.

The Norwegian State Oil Company (Statoil) has said that eventually the field will require three platforms and a permanent transport system, preferably a pipeline to Norway.

Matthew Hall Engineering is the main U.K. contractor for phase one of the development programme. As well as providing specialised engineering services, the company will act as agent in the purchase of capital equipment.

The consortium comprises Mobil Exploration Norway, as operators; Statoil; Conoco Norway; Esso Exploration and Production Norway; Norske Shell; Saga Petroleum; Amoco Norway; Amerada Petroleum Corporation of Norway and Texas Eastern Norwegian.

● Plans for rig-sharing are being considered by companies with drilling commitments in the British sector of the Celtic Sea. The plans revolve around British Gas's hopes that two or three wells will be drilled this year on Celtic Sea blocks in which it has interests.

These include Texaco's third round licensing concessions, 103/2 and 103/3, off St. David's, and three blocks in the main Celtic Sea basin in which Amoco is the operator. In addition, British Gas's operator subsidiary, Hydrocarbons, expects to explore block 106/28 off Fishguard.

Shell has also put forward a rig-sharing proposal.

Increased insurance for airport vehicles

BY ERIC SHORT

VEHICLE-DRIVERS coming to close quarters with aircraft at Heathrow will be required to be insured for £15m., under a decision announced yesterday by the British Airports Authority. This increase in cover will be operative from April 1 and will apply to all airport companies and individuals allowed to pass the security gates and go in to close proximity to aircraft.

The BAA said that it had been concerned for some time about the level of insurance cover provided by operators of such vehicles. Although the anticipated frequency of accidents was minimal, the potential damage situation was enormous.

Evidence of third-party liability insurance for this new value for any accident must be produced by drivers from April 1.

Airport organisations have been told to point out to insurers that vehicles using "airside" roads are operating where no physical barrier exists between roads and aircraft.

The cost of the premium for this insurance would depend very much on the frequency with which the vehicle went on to the airside road, the nature of the work and the number of vehicles involved.

Where the work was routine and not close to an aircraft a nominal premium would most likely be charged of the order of £15 to £20. From there, the amount charged would depend on individual circumstances, with an unspecified upper limit.

Reliant raises prices by an average of 4%

HIGHER PRICES were announced yesterday for the Reliant Kitten and Robin 850 ranges "as a result of the increased cost of materials and components." The increases average about 4 per cent.

The newe prices, including car tax and VAT, are: Kitten saloon, £1,559.61; Kitten Estate £1,638; Robin 850 saloon, £1,322.10; Super Robin 850 saloon, £1,454.31; Robin 850 van, £1,155.06; Super Robin 850 van £1,301.94; TW9 chassis cab £1,283.04.

British Leyland has announced the establishment of British Leyland Italia Spa with headquarters in Rome.

The new sales company is responsible for the sales and service of Leyland products imported into Italy. In addition, the company will act initially as agents on behalf of the liquidators of Leyland Innocenti for local manufactured cars and will supply spares and vehicle service.

Renault, the French State-owned car company, said yesterday it would launch a new five-door, 1100cc saloon in June.

The price of the car, the Renault 14, has not been fixed. It is not intended to replace any of Renault's existing range.

Bedford truck exports up

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BEDFORD improved its truck exports by 21 per cent. last year to a total of 38,000, compared with 31,200 in 1974. The company's success overseas underlines the strength of truck exports last year, when export earnings rose by 71 per cent. over the first 11 months to reach £386.8m.

British Leyland had an extremely healthy year in export markets, and specialist producers like Fodens did well.

Bedford, the General Motors subsidiary and commercial-vehicle arm of Vauxhall Motors, claims to be Britain's largest truck exporter. Its main strength lies in the middle-weight vehicles, which have a strong position in the traditional Commonwealth markets.

Since General Motors decided to concentrate its car production in Germany and its commercial vehicle output in the U.K., however, Bedford has developed a range of heavy trucks. This range is now leading a drive into Continental markets, where a bridgehead has been established in the Benelux countries.

CORBY COMPANY DISMISSES 52

The entire workforce of 52 at Corby Bookbinding, Northamptonshire, has been made redundant because of a fall-off in orders, it was disclosed yesterday.

Motorcycl[e] sales best in 16 year[s]

By Terry Dodsworth

U.K. SALES of motor-cycle[s] a 16-year record in 1975 [...] year in which the only sub[stan]tial British manufac[turer] Norton-Villiers-Triumph, [was] forced to liquidate most [of its] business.

Total registrations [...] 270,000, an increase of 4[...] cent. on the 190,850 achie[ved in] 1974.

Japanese manufac[turers] accounted for about 65 per [cent.] of the market (incl[uding] mopeds), the rest going [to a] variety of Western and European concerns, with British industry accountin[g for] less than 3 per cent.

Motor-cycle registration[s in]creased by 67 per cent., [to] 174,800 sales compared [with] 104,900 in 1974. Mopeds—50 cc machines with peda[ls]—achieved 90,800 sales, an inc[rease] of 12 per cent. on the 81,[...] 1974.

Steady growth

Several reasons are adv[anced] by the motor-cycle industr[y for] the improvement in sales, i[nclud]ing the drive for fuel eco[nomy] and the effects of the two-[...] publicity campaign.

In 1969 the industry to[uched] its low point, with only [...] registrations, but since t[hen it] has shown steady growth, [inter]rupted momentarily in 197[4 by a] slight dip when sales slipp[ed] 3,000 units to 191,000.

Last year's surge unde[r...] the recovery of the ind[ustry] which now appears confide[nt of] two or three more years' g[rowth] as many motorists switc[h, for] economy reasons, to two w[heels].

Next year there are high [hopes] that the total of 330,000 re[gistra]tions achieved in 1959, the [indus]try's high spot, can at le[ast be] approached. More adver[tising] campaigns are planned to [stimu]late sales, and there is n[o sign] as yet that growth has slac[kened] off.

The growth of the mark[et this] year will inevitably have [...] a larger import bill, thoug[h] figures have not yet bee[n calcu]lated. In 1974 motor-cycl[e im]ports were valued at [...] against £14m.-worth of exp[orts].

... and bicyc[le] trade receive[s] a boost, too

BICYCLE SALES in the [U.K.] last year topped the 1m. [mark] for the first time in 20 [years,] according to the British C[ycle] Bureau.

The total is up 150,000 or [...] and sales have almost do[ubled] in the last six years. Thi[s has] been due to a combinati[on of] economic and health fa[ctors,] according to the bureau.

Four dustme[n] fined £150

FOUR London dustmen [were] fined £150 each at the Old [Bailey] yesterday for corruptly acc[epting] money to make extra colle[ctions] of refuse.

Judge Lawson told [them:] "You knew it should not [have] been done and people were [turn]ing a blind eye to what we[...]

"But the jury in a recen[t] tested case believed tha[t the] authority itself could n[ot be] said to be entirely blamele[ss."]

The four, who were emp[loyed] by the Royal Borough of [Ken]sington and Chelsea, were: [...] Curd, 25, of Beechr[...] Avenue, Hanwell; Bryan D[...] 25, of Queen's Road, [...] Malden; Edward Noseda, [...] Twyford Road, Harrow; Thomas Emmins, 43, of [...] Crescent, Notting Hill.

All pleaded guilty to cor[ruptly] obtaining money from J[...] Restaurant on April 18, [...] and Tethers Restaurant on [...] 7 the same year.

هكذا صدر الأصل

HOME NEWS

Anker to hand over job at MEPC to Thorley

QUENTIN GUIRDHAM, PROPERTY CORRESPONDENT

MEPC property group has ...inted Sir Gerald Thorley, ...hairman-elect and former ...man of Allied Breweries, ... a stop-gap managing ...tor on the resignation of Peter Anker. Mr. Anker ... remain with MEPC to ...ee its North American ...ities.

... Gerald will succeed Mr. ...r on March 1 and at the ... of March will also take the chairmanship from Sir ...y Johnson. "You can't ...it a vacuum if your ...ging director wishes to go ...orth America," said Sir ...d yesterday.

... group will now start ...ng for a new managing ...tor and Sir Gerald, aged ...nd a chartered surveyor ...dning, said he thought his ...tive role would last ...ths rather than years." ... were "still a lot of prob...' at MEPC. "We are ... with an inability to get things funded, high interest rates and, to some extent, stagnating sites."

Mr. Anker, who made his reputation running the group's Canadian subsidiary, was appointed in 1972. He will remain on the Board and "assume new responsibilities" for the operations of MEPC in Canada, the U.S. and Hawaii.

The stock market saw little significance in the changes. MEPC's shares fell 4p, in line with the sector, to finish at 94p.

Mr. Anker said that relinquishing the managing director's role "eased a difficult situation, but it is a positive move because North America is one area of activity which is still expanding."

He will negotiate a new contract (his last year's pay was £32,000) and will follow outside interests such as social housing, in which he is chairman of the trustees of the World of Property Trust. He has not yet decided to give up residence in Britain.

Mr. Anker's stepping-down is the culmination of a long series of boardroom disagreements. Sir Henry Johnson is among those who consider that at a time of retrenchment and reducing developments, a more financially oriented chief executive is needed.

The group, which announced a £3.65m. loss and a £38m. drop in the value of its investment properties last month, has £148m. of developments, of which £77m. is tied up in sites where development has not started.

Sir Henry said yesterday that MEPC had not been under institutional pressure to change its policies or management. Approaching 70 per cent. of the equity is in institutional hands, with Prudential Assurance (8 per cent.) and Eagle Star (6 per cent.) the largest holders.

Men and Matters, Page 16

...mployers' State pension ...ost details published

...ERIC SHORT

...GOVERNMENT Actuary ...ublished his proposed ... of calculating the pre... tables which set out the ...employers of buying their ...ees back into the proposed ...ate Pension Scheme.

...Department of Health and ... Security has circulated ...f his memorandum to the ...s industry, and has in...mments on the proposed ... It is likely to arouse ...ersy.

... an employer buys back ... State scheme he will ... realise some or all of ...ets of his occupational ... scheme and pay over the ...o the State scheme.

...Government Actuary is ...g to draw up a set of ...hich will relate the cost ...ack both to the nature of ... fund portfolios and to ...et conditions at the time ...ack.

...tick

...an investigation into the ...ion of pension fund ...s, the Government ...is assuming that the ... fund is split 50-50 ... fixed-interest ... and ... acknowledged the role ... property investment in ... funds. But in the ... of any suitable yield measurement, he has included property as part of the equity holding.

The Actuary proposes to use the price of Treasury Loan 9 per cent. as the yardstick for the fixed-interest portion and the dividend yield of the FT-Actuaries All Share Index for the equity portion. He would convert this yield into a market level indicator which combined with the Treasury Loan price would give a combined market level.

He would then publish tables of the cost of buyback for each £100 of guaranteed pension. The higher the market level, the greater would be the cost of buyback, reflecting the amount at which assets could be realised.

For instance, on this method the cost per £100 pension for a man aged 50 would be £645 if the market level was 100 as measured by the Government Actuary's proposed index, but £903 if the market level was 140.

The Government Actuary in his conclusions points out that a single stock with a 9 per cent. coupon may not in practice be suitable to represent a fixed-interest portfolio, nor might a 50-50 split between equities and fixed-interest represent the correct proportion.

He invites comments and suggestions from the pensions industry. They should be sent to the DHSS by February 9.

Morse signals may be from missing ship

Financial Times Reporter

FAINT DISTRESS signals were picked up last night by one of the U.S. Air Force planes searching for the Liberia-registered Norwegian oil/ore carrier Berge Istra.

The Morse code signals were on the usual distress channels and the first two letters of the call signal were those used by Liberia-registered ships.

However the ship's owners and U.S. Air Force have warned against premature optimism.

The U.K. marine insurance market stands to pay out millions of pounds if the missing Norwegian ship Berge Istra is not found.

Marine insurers in London said yesterday that Lloyds and the insurance companies carried about 70 per cent. of the cover which amounts to more than £9m.

The 220,000-ton Berge Istra, one of the largest bulk ore carriers in the world, left Tubarao, Brazil, on November 29, for Kinutsu, Japan, with 185,000 tons of iron ore.

She was due at Kinutsu on January 5 and was last reported on December 29 as 280 km. off Mindanao Island, in the Philippines.

...ottish Daily News ...ff to fight on

...AT the Scottish Daily ...ritain's first workers' ...ive daily newspaper, ...lded in November after ...hs, yesterday repeated ...dge to stop the news... ...ssets from being sold.

...day was the date by ...he newspaper's liquid... ... James Whitton, had ... anyone wishing to buy ...t in Albion Street, ... as a going concern to ...im.

...hitton was away from ...ow office and his staff ... to comment, but it is ...d that there has not ... offer—although pub... Robert Maxwell, who ... launch an evening ...r in Glasgow, has re... in touch with the

Although he did not regard yesterday as a fixed "deadline" for offers for the plant as a going concern, Mr. Whitton now will have to consider selling it on a piecemeal basis.

Occupation

The newspaper was launched by employees made redundant by the closure of Beaverbrook Newspaper's Glasgow production centre in 1974.

Many of the 500 workers have refused to accept the idea of the plant being sold and have been occupying the building on a round-the-clock shift system since the closure.

The daily "emergency edition" they produced after the newspaper folded has now become a weekly edition.

Consumers' complaints report soon

RESULTS of a review of the machinery for dealing with consumer complaints in nationalised industries should be available in the spring, Mr. Alan Williams, Minister of State for Prices and Consumer Protection, said in Cardiff yesterday. He told the Post Office Users' Council for Wales that the Government wanted to see consumer advice centres and nationalised industry councils working together with as little overlapping as possible.

"In some cases there has been little change in nearly a quarter of a century in the machinery for dealing with consumer complaints in the public sector."

Consumer advice centres in Wales saved about £20,000 a year for consumers, said the Minister.

...n. Government scheme ...sort waste material

...VERNMENT will spend ...1m. over four years on ...s to sort waste material ...ally.

...ot plants would be set ...-operation with Tyne ... and South Yorkshire ...ouncils, Mr. Gordon ... Environment Under... said yesterday.

...g and construction was ...o take about a year. ...plant would have a ...f at least ten tonnes

One would test the extraction of ferrous metal and a shredded paper and plastic-rich residue suitable for fuel conversion. The other would test mechanical separation over a wider range of materials.

Mr. Oakes said that in an Environment Department experiment a mechanical sorting plant had extracted paper, metal and glass and a paper and plastic-rich fraction suitable as fuel. It had employed conventional technology.

Reed Paper plywood venture

Reed Lumber Company, a subsidiary of Reed Paper Company, has signed a preliminary agreement on a joint plywood venture in Delta, GC.

Reed will have 51 per cent. of the venture, while 49 per cent. will be held by Cantgree Forest Products, owned by a subsidiary of Alpine International Corp. of the U.S.

The plant will open in April with an annual capacity of 78m. square feet of plywood on a ⅜-inch basis.

...ntally ill 'ignored'

...ocal authorities are ... the plight of the ...ick—and breaking the ... process, according to ... Smythe, director of ...oluntary body looking ...mentally ill discharged ...ital.

... yesterday that the ...al Health Act directed ...ngements should be ...rovide for people with ...orders.

...of 170 local authorities ...idential places for the ...entally infirm.

...ernment admitted that two-thirds of long-term mental patients in hospital should not be there, he said.

He said that the situation in Birmingham, where about 5,000 discharged mental patients needed support, was typical of many other areas.

"In Birmingham they are relying on doss houses, private hotels and boarding houses to take these people in, but this is very costly. Local authorities can provide hostels, group homes and unstaffed hostels—this is what should be done to ensure certain minimal standards."

SNOW REPORTS

	Depth (cms.) L	Depth (cms.) U	State of Piste	Weather	°C
Champery	5	45	Poor	Cloud	2
Worn patches: bad visibility					
Crans	10	25	Good	Cloud	−1
New snow has improved ski-ing					
Davos	33	90	Fair	Cloud	4
Wet snow forming firm base					
Les Menuires	25	66	Fair	Fine	0
Some spring snow off piste					
St. Moritz	25	55	Fair	Fine	−1
Worn patches on lower slopes					
Saas Fee	16	60	Fair	Fair	−1
Good upper slopes, poor below					
Seefeld	10	40	Fair	Fine	—
Some good ski-ing on upper slopes					
Zurs	85	100	Good	Cloud	0
Good snow fall; bad visibility					

The above reports are supplied by the Ski Club of Great Britain.

	L	U	Piste	Weather	°C
AUSTRIA					
Alpbach	10	45	Fair	—	3
Axamer-Lizum	—	95	Good	—	0
Brand	15	65	Good	—	2
Gargellen	65	110	Good	—	2
Ischgl	20	50	Good	—	1
Mayrhofen	20	80	Good	—	−1
Obergurgl	20	100	Good	—	−3
Schruns	0	70	Good	—	3
FRANCE					
Alpe d'Huez	30	90	Hard	Sunny	—
Chamonix	5	50	Hard	Cloud	—
Courchevel	50	100	Good	Sunny	—
ITALY					
Cervinia	50	200	Good	—	—
Cortina	40	110	Good	—	—
Courmayeur	5	200	Good	—	—
Madonna di C.	15	110	Good	Fair	—
NORWAY					
Geilo	40	50	Good	—	−6
Lillehammer	40	50	Good	—	−8
Norefjell	40	60	Good	—	−4
Voss	135	185	Good	—	−8

SCOTLAND

Cairngorms—No complete runs, patchy cover of wet snow.

Glen Shee—No snow.

Glencoe—No snow.

CLYDESDALE BANK

Interest Rates

Clydesdale Bank Ltd. announces that with effect from 13th January, 1976 its Base Rate for lending is being decreased from 11% to 10½% per annum.

APPOINTMENTS

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We have a further vacancy in our Market Liaison Group for a man or woman to join the strong and active team of advisers who are helping Member Firms prepare for new services. The initial assignment will be concerned mainly with helping computerised stockbrokers prepare for TALISMAN. Computer knowledge (programming and/or systems analysis) and a period of experience with a Member Firm are necessary. The work is extremely challenging and varied, and salaries are fully competitive. Appointments can be to the Council's permanent staff, or on shorter term engagements with generous completion bonus.

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and
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NOTICE IS HEREBY GIVEN that with effect from 13th January, 1976 and until further notice the Bank of Scotland Deposit Rate on sums lodged for a minimum period of 7 days will be 6½ per cent. per annum.

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PUBLIC NOTICES

ACQUISITION BY EUROCANADIAN SHIPHOLDINGS LTD. OF A SUBSTANTIAL MINORITY SHAREHOLDING IN FURNESS WITHY AND CO. LTD.

The Monopolies and Mergers Commission, which has already been asked by Mrs. Shirley Williams, Secretary of State for Prices and Consumer Protection, under the provisions of the Fair Trading Act 1973, to investigate and report on the acquisition by Eurocanadian Shipholdings Ltd. of a minority shareholding in Furness Withy & Co. Ltd., is additionally being asked to investigate and report whether there are arrangements in progress or contemplation, which if carried into effect, would result in a merger situation between the two companies for the purposes of the Act. The Commission is being asked to make its report by 27 May 1976, the period allowed for the original reference. The original reference also included for investigation and report those arrangements in progress or contemplation, which, if carried into effect, would result in a further merger situation between Eurocanadian Shipholdings Ltd. and Manchester Liners Ltd.

The Monopolies and Mergers Commission wish to have comments or evidence on this proposal from interested parties. Any person or organisation wishing to give such evidence should write as soon as possible to:

The Secretary,
Monopolies and Mergers Commission,
New Court,
48 Carey Street,
London. WC2A 2JT.

CINEMAS—(Cont.)

ODEON HAYMARKET (930 2738-2777). Dustin Hoffman "LENNY" (X). Sep. progs. Wk. 2.00, 5.15, 8.30. All seats may be booked.

ODEON, Leicester Square. 930 6111. THE MAN WHO WOULD BE KING (A). Cont. progs. 2.10, 5.00, 7.50.

ODEON, MARBLE ARCH (723 2011-2). The Newest and Greatest Musical Cartoon Feature HUGO THE HIPPO (U). Sep. progs. Wk. 1.15, 4.30, 8.00. All seats may be booked.

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2. JAWS (A). Daily: 1st perf. 2.00, 2nd perf. 4.30, 3rd perf. 7.00, 4th perf. 9.30.

PRINCE CHARLES, Leic. Sq. 437 8181. 2nd Great Year EMMANUELLE (X) Sep. Perfs. Dly. (inc. Sun.) 2.45, 6.15, 9.00. Late Show Fri. and Sat. 11.45. Seats Bkble. Lic'd Bar.

RITZ, Leicester Sq. 437 1234. 3 DAYS OF THE CONDOR (AA). Progs. Daily 1.45, 3.50, 6.10, 8.30.

SCENE 1, 2, 3, 4, Leic. Sq. (Wardour St.). 439 4470.
SCENE 1. Cont. Dly. 12.30. Late Show Fri. & Sat. 11.45. Ken Russell's LISZTOMANIA (X). Progs. 12.30, 2.20, 4.45, 7.05, 9.25. Late Show Fri. & Sat. 11.45.

SCENE 2. 2nd YEAR. THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Dly. 12.30, 3.00, 6.15, 9.00. Lte. Show Fri. & Sat. 11.30.

SCENE 3. THE TOWERING INFERNO (A). Sep. Perfs. Dly. 2.00, 5.20, 8.40. Lte. Show Fri. & Sat. 11.45.

SCENE 4. Cont. Dly. 1.00. Lte. Show Fri. & Sat. 12.00. Ken Russell's TOMMY (AA). Progs. 1.00, 3.45, 6.30, 9.15. Lte. Show Fri. & Sat. 12.00.

WARNER WEST END. Leicester Square. Tel. 439 0791.
1. THE COUNSELLOR (X). Sep. progs. 2.30, 5.30, 8.30.
2. BARRY LYNDON (A). A film by Stanley Kubrick starring Ryan O'Neal, Marisa Berenson. Sep. progs. dly 2.15, 7.30. All seats may be booked.
3. Dirk Bogarde, Ava Gardner. PERMISSION TO KILL (AA). Sep. progs. 2.30, 5.30, 8.30. All seats may be booked. Last 3 days.
4. Al Pacino in DOG DAY AFTERNOON (X). Cont. progs. 2.15, 5.00, 7.50.

LEGAL NOTICES

No. 004214 of 1973

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of B & J BIGGS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 29th day of December 1973, presented to the said Court by PYE RECORDS (SALES) LIMITED whose registered office is at A.T.V. House, Cumberland Place, W.1, in Greater London, a creditor, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 2nd day of February 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

J. E. BARING & CO.,
74, Chancery Lane,
London WC2A 1AA.
Solicitors for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person, or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 30th day of January 1976.

No. 0035 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ALLROAD HAULIERS LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 6th day of January 1976, presented to the said Court by FLEXI-VAN UNITED KINGDOM INC., an overseas company incorporated under the Laws of United States of America whose registered office and address for service is care of Simon Anthony Alan Block of 199, Strand, London, W.C.2. and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 9th day of February 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

CROSSMAN BLOCK & KEITH,
Imperial Life House,
Cross Lanes, London Road,
Guildford, Surrey, GU1 1TG.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 8th day of February 1976.

No. 0036 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of TOWER TRUCKING (HAULAGE AND WAREHOUSING) LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 6th day of January 1976, presented to the said Court by FLEXI-VAN UNITED KINGDOM INC., an overseas company incorporated under the Laws of United States of America whose registered office and address for service is care of Simon Anthony Alan Block of 199 Strand, London, W.C.2. and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 9th day of February 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

CROSSMAN BLOCK & KEITH,
Imperial Life House,
Cross Lanes, London Road,
Guildford, Surrey, GU1 1TG.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 8th day of February 1976.

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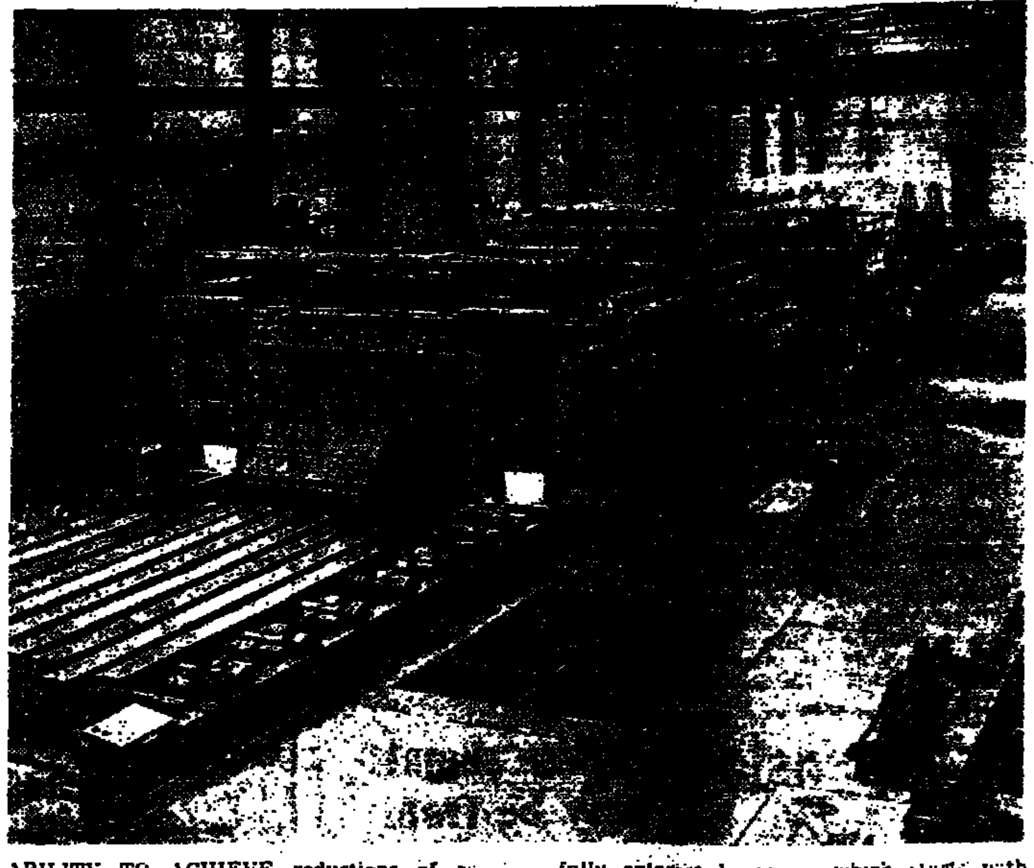
Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● **METALWORKING**



ABILITY TO ACHIEVE reductions of as much as 98 per cent. in a single pass is the outstanding feature of a design of planetary rolling mill evolved by the Krupp organisation of West Germany in collaboration with Professor Platzer, a first fully automatic example of which recently went into operation at Vereinigte Deutsche Nickelwerke in Schwerte.

The mill has been designed to tackle both steel and non-ferrous metals and its twin planetary rolls turn out finished strip, achieving the above-mentioned reductions in a number of instances.

At Schwerte, the mill is proving its abilities to tackle numerous shorter runs of differing materials—nickel-iron, copper-nickel and pure nickel, as well as copper alloys containing varying amounts of nickel. Input consists mainly of pre-heated ingots up to a maximum of 90 mm. thick and weighing up to 3 tons.

Hourly production is 20 tons of strip in widths from 200 mm. to 420 mm. and thicknesses of 2 mm. to 10 mm.

A preparation stage for the ingots includes a plasma cutter which cleans up the metal, removing casting dross and other defects prior to feeding the ingots to the fully automated process which starts with the heating stage.

Drive rolls run at speeds between 1.6 and 3.6 metres/minute according to the alloy being processed. The speed of the planetary cage remains constant and an even finish on the metal being reduced is achieved by having work rolls and intermediate rolls run along a flattened section of the support beam parallel to the surface of the metal. The design of the mill is such that rolls can be changed in as little as 45 minutes.

A tension roller and final drive feed the material to a cooling section with water sprays, followed by the flying shear and the coiler.

The mill needs only six staff to run and takes about 1,500 kW plus the natural gas needed for the pre-heating.

Krupp is at present designing and building planetary mills of this new version to handle copper, bronze, brass, aluminium, zinc, steels of various types, including stainless, and titanium.

Strip from 150-200 mm., 200-420 mm., 300-650 mm., 500-1,050 mm., and 600-1,250 mm. can be produced on various versions of the mill.

Krupp is at 43 Essen Altendorferstrasse 100, West Germany.

● **RESEARCH**

Steel with copper for strength

A REPORT has been issued on the final phase of a six-year programme on the development of a series of high strength copper-bearing steels.

Extremely successful it resulted in three of the steels being commercially available. Another composition is in the final phase of an extensive field test programme. This latter composition, Incrasteel 5, ranges in copper content from 0.4-0.55 for heavy duty railroad rail application to 1.3 of copper content for heavy duty crane and mine service rails.

The mechanical characteristics in the welded condition considerably exceed the properties of currently used rail steels. It is anticipated that rails of this steel will find use in areas of high wear and stress such as curves, switch sections, tunnels and bridges where both heavy wheel loadings and heavy traffic prevail.

Also discussed in this report are the final tests on Incrasteel 4 which has been accepted by the Belgian and French railway companies for use in the construction of long rolling equipment. In order to improve the deep drawing characteristics of Incrasteel 4, *zirconium additions have been* made and it has been demonstrated that the resulting control of sulphide inclusions leads to superior transverse properties and in turn gives rise to improved characteristics.

Copper Development Association, Orchard House, Mutton Lane, Potters Bar, Herts. EN6 3AP. Potters Bar 50711.

Finds and aids bus crews

GREATER Glasgow Passenger Transport Executive has awarded a study contract to Leasco Software to investigate technical and operational requirements for a crew protection and location system (PALS).

Greater Glasgow PTE provides services throughout the Strathclyde Region and operates a fleet of 1,000 buses serving a population of 2¼m. Like many other transport authorities, Glasgow is concerned to provide crews with protection against hooliganism and to improve services to the public by providing better facilities for coping with traffic incidents.

The three month Leasco study will also include an evaluation of possible alternative systems to determine likely timescales and costs for implementing any preferred system.

Leasco is at Reliance House, 150 Bath Road, Maidenhead. 0628 23391.

● **CONFERENCES**

BHRA goes overseas

BHRA Fluid Engineering is organising an international conference on hydraulics, pneumatics and fluidics in control and automation to be held in Toronto, Canada, from 28 to 30 April, 1976. Arranged in conjunction with the Technology Branch of the Ontario Ministry of Industry and Tourism, the meeting will combine an introduction to the use of fluids in control and automation with practical papers covering a variety of industries.

Substantial savings have been claimed for pneumatic low-cost automation techniques. A paper from Miami University will describe the design, construction and installation of a fully automatic, multiple driller using these techniques. Costing only $12,000, this machine tool was made from commercially available components, and produces parts at the rate of 750 pieces/day. The low bid for a conventional, automatic machine tool to do the job quoted $25,000, and did not include broken tool detection, which was built into the pneumatic machine.

BHRA is at Bedford (0234) 750422.

● **ENERGY**

Search for cheap coal liquefaction

STANFORD Research Institute (SRI) has been awarded a $600,000 contract to explore new chemical processes that could lead to less costly conversion of coal to liquid fuels.

A number of processes exist, but they are costly, since they demand the addition of hydrogen to react with the coal at extremely high temperatures and pressures.

Energy Research and Development Agency has asked SRI to conduct a research programme to determine whether coal liquefaction production can be improved by better catalytic or solvent treatment methods. A team of SRI scientists will investigate the usefulness of selected homogeneous catalysts (solvent materials) and solvents to promote coal liquefaction at lower pressures and temperatures than under present conditions.

SRI will study the structure of coal to determine whether new agents in place of hydrogen might be used for liquefaction. The project will be carried out for a two year period under the Fossil Fuels branch of ERDA.

Stanford, Menlo Park, Calif., 94025, U.S.

● **SOFTWARE**

Thick film oscillator

LATEST addition to its range of standard micro circuit products is announced by Redac Software. The new TF105 audio oscillator is a hybrid thick film high stability oscillator which can be used for either analogue or digital clock application. Extremely small, robust and reliable in operation the TF105 will provide a stable timing reference.

The unit is a ± 10ppm/°C sine wave oscillator the frequency of which can be set by the user in the range 100hz to 100khz. It will operate between 5 and 30 volts with split or single supplies and over the temperature range −20 to +85°C, with a high amplitude stability.

Racal-Redac, Newtown, Tewkesbury, Gloucs.

● **COMPUTERS**

SIA move t[o] real-time

SIA is well ahead in its e[xpan]sion programme, designe[d to] move the company into th[e time-]sharing market.

The Control Data 6600 has [been] linked to a new Cyber 72 an[d] Scope operating system rep[laced] by Kronos 75.

Kronos enables time-shari[ng to] be used for program develo[pment] and for management or tec[hnical] work where the volumes o[f data] are not large and where the [user] benefits from prompting b[y the] computer as to his next [com]mand. Batch processing ca[n] be used for production ru[ns of] proven programs requiring [large] volumes of data and pro[ducing] large amounts of results.

SIA has chosen to base th[e] system on the Control [Data] Kronos 2.1 operating s[ystem] extensively modified to g[ive] additional features such [as an] increase in the number of [simul]taneous remote job [entry] terminals handled from t[he] maximum under st[andard] Kronos to 48.

Apart from the classic [uses of] time-sharing for designer[s and] scientists, SIA will also be [offer]ing programs for financia[l plan]ning and database applicati[ons, in] particular System 2000 [and] this can be used in batch [mode] (and it is at SIA) its u[se] increased if immediate a[ccess] to file enquiries and insta[nt up]dates are available.

SIA plans to double it[s sales] force during the next six [months] to help market the new se[rvices]. Extra applications and s[upport] staff are also being re[cruited]. recruited. A further [sales] office in the north is plan[ned for] later this year.

Hardware improvemen[ts in]clude the ordering of two Modcomp 11 CP communi[cations] processors plus the raising [of the] Cyber 72 from 64K to 96[K.] more CDC 844 disc units a[re] on order, sharply increasi[ng the] amount of storage availa[ble to] clients.

● **COMMUNICATIONS**

Fibre optic design forging ahead

DESIGNS for two pilot electro-optical telecommunications systems, based on lasers, for which business opportunities should be available within ten years, *are being developed by* Arthur D. Little, Inc.

One system is digital, the other analog. Both will be short-haul (intra-building or intra-city) and will carry voice, data or video signals—the organisation having already determined that short-haul use is the most promising near-term application of electro-optical technology.

In the present phase of the study, the firm is preparing detailed systems designs and component specifications, including cost/performance data.

Some companies are looking to smaller, near-term markets to support their development efforts and the U.S. study is aimed at developing systems that are the most feasible.

David A. Curtis, electronics systems section manager at Arthur D. Little, points out, however, that the benefits and application of the technology cannot be realised without greater understanding and experience in design, construction, testing and costs.

Electro-optical telecommunications use fibre-optic, rather than metal, cables to transmit signals. Considerably lower in cost although exact cost is still to be determined the small, [light]weight fibre-optic cables is [not] affected by electro-magne[tic or] radio interference and [can be] used in explosive atmosp[heres].

Dr. Curtis estimates th[e market] of short-haul trunking usi[ng con]ventional technology, [is,] in the United States a[t] over $400m. annually b[ut] rising to $600m. by 1985 on current costs. The [European] market is approximately [half] the U.S. figure.

These figures do not [allow] for possible widespread [availa]bility of optical fibre co[mmuni]cation technology, pot[entially] more economical.

Design elements unde[r study] that are common to b[oth] systems at ADL include cable construction, coupl[ing,] connectors, monitoring a[nd] procedures.

Specific digital system [prob]lems being studied includ[e] source, modulation and [...] format and repeater [...] Under examination in [analog] systems are optical sourc[e fre]quency allocation and [...] level of signals, mo[dulation] method, broad-band [...] switches, switching syste[m con]trol and methods of [...] selection and amplifier d[esign].

Arthur D. Little, 25 [Acorn] Park, Cambridge, Mass. U.S.

● **PERIPHERALS**

Floppy disc terminal

ADDITION of a floppy-disc drive to extend one of Olivetti's data entry intelligent terminal systems provides storage equivalent to 1,900 records of 128 characters. The drive is entirely compatible with the IBM 3740 standard.

The DE525 has a totally "soft" concept, with up to 16K of random access memory (RAM). The only ROM driver provides the auto load boot strap, all other software and drivers being loaded from the disc. The new system offers an improved version of TPS (Terminal Programming System).

Major application areas for the DE525 are expected to be for order entry with local file handling, media conversion, stand alone accounting and data retrieval. Reed International is an early client seeking media conversion.

British Olivetti, 30 Berkeley Square, London W1, (01-629 8809).

● **INSTRUMENTS**

Overcomes rounding off problems

A MACHINE tool measuring system with digital readout, designed around metric units, and stated to overcome the "last decimal place rounding off problem" that can occur when readings from systems based on inch measurements are converted to millimetres, has been introduced by Universal Connections, 2, David Place, Poyle [...] Estate, Colnbrook, Bucks. [(Colne]brook 4074).

Called the Acu-Rite [...] metric to inch [...] circuitry contains a [...] device to eliminate [...] rounding. The system [is based] on the Moire fringe [produced] when an index grating [moves over] a glass scale ruled with [...] mm. The fringes prod[uced by] the moving index whe[n trans]mitted to the console pro[vide a] "distance moved" measu[rement] stated to be accurate to 0.[...] or 0.0005 inch, with repea[tability] to 0.01 mm.

Scales up to 120 inch l[ong are] available and can be fi[tted to] most makes of lathes, jig [borers] and milling machines. [The] system is available with a [...] coded data output so that [it can] be used as a feed-back element in numerical [control] systems.

● **PROCESSING**

Resin plan[t] on stream

PLANT valued at over [...] largely designed and supp[lied by] Leonard Smith (Engineer[s) has] been installed and comm[issioned] in the Batley, Yorkshire, [works] of Kirklees Chemicals (sub[sidiary] of Silver Paints and Lacqu[ers).]

The plant is capable of [produc]ing over 6,000 tonnes pe[r year] of polyvinyl acetate resi[n in] two 1,000 gallon reaction [kettles].

The reaction kettles, fab[ricated] in 321 grade stainless ste[el, are] 6 foot in diameter and [...] high. They are fitted [with] external limpet coil jack[ets for] heating and cooling duri[ng the] reaction process.

LSE is at Bredgar [Road,] Gillingham, Kent ([...] 25151).

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FINANCIAL TIMES REPORT
Tuesday, January 13 1976

COMPUTER SERVICES

In spite of an encouraging year in 1975, the computer services industry still has a number of obstacles to overcome, not least its own reticence in proclaiming its wares.

IT is difficult ... ly to allow for the full ... inflation, the influence ... umbling pound on earn... urope and the lateness ... nment's official figures, ... rent growth of 25 per ... he turnover of the U.K. ... services industry in ... just past is little short ... kable.

... er for 1975 is likely to ... in the region of ... o £170m., an appreci... tion of new equipment ... well above the revised ... 1974 of £128,606,000, ... ouraging, according to ... etary general of the ... Services Association, ... jamin, is the way in ... oductivity, measured in ... per capita, is leaping ... d for an increase of ... er cent. in manning, ... s increased from just ... 00 to just over £8,000 in a single year, only part of the advance being attributable to higher charges.

This goes part of the way towards answering the charges first levelled by Logica, that compared with France, the U.K. services industry was operating on a much lower professional level. Though at the time the claims were made, three or four years ago, no one in Britain yet appeared to have realised the full extent of inflation in Europe. This unpleasant fact is now well understood, but whether U.K. bureaux, software houses, second hand machine specialists and maintenance experts are prepared to take advantage of the situation while they can remains to be seen. Certainly few in Britain show the aggressive salesmanship of the major French groups backed as they are by overt, consistent and well planned government support.

On this vexed question of policy and support, successive presidents of the CSA and of the organisations which preceded it, grouping the bureaux on one hand and the software and systems experts on the other, have belaboured responsible civil servants and politicians alike without evoking much response.

Money for software support is flowing a little more freely through the National Computing Centre whose head, David Firnberg, has more than one novel proposition up his sleeve. But by and large the purse string controllers have little or no idea of how important the service companies are to the computer-using community as a whole, nor of the vital role all are playing in shaping the future of the industry and the type of products it will be offering in ten to 20 years.

Creation

To illustrate this point it should not have gone unnoticed, even by civil servants who cannot see much beyond the creation of ICTs New Range, that a company such as TSL, the time-sharing operation running on Digital Equipment Corporation DEC 10s, does all its own maintenance, has designed its own most economical operating system, and is expanding at such a rate that it can almost be expressed as one to two DEC 10s a year.

It should also be noted that such traditional IBM users as Centre-file are actually installing PDP II machines as "intelligent terminals" in some of their on-line real-time clients' offices so that IBM is thus being drawn into the distributed processing situations it has strenuously sought to avoid—particularly in the U.S. and Germany—for some years past.

It should also be noted that there has been such a demand for earlier generation machines that prices of 360's on the U.S. market have shown a marked upward trend and refurbishers and enhancers such as CWT and Leasco, together with the plug-compatible specialists IBM came very near to annihilating, are giving some of the machines in the 370 range a very hard time. Meanwhile; Computel has succeeded in doing more with major ICL operating systems than—it would appear—the company's own experts.

All this points to one thing: that the service industries can get—indeed must get—far more out of their equipment than the run of the mill user. They do this both by excellent engineering support and expert knowledge of software. But their expertise is not being tapped as it should for the benefit of the British computer industry, in particular, and computer users in general. Not that service company operators have that much time to spare on playing the committee game. But it would be useful to apply their knowledge of manufacturers—both of hardware and software—much more widely.

An immediate case in point could be that of the Stock Exchange whose automated accounting system is once again in disarray for no good reason that can be discovered. Centre-file, which successfully handles a large proportion of Stock Exchange business on behalf of a section of brokers could undoubtedly help. But Scan, which is its counterpart, has been in the unenviable position of existing as a sub-set of a group open to takers for the last 18 months. It is also subject to major hardware and software changes by whoever takes over, the bill for conversion being variously estimated at somewhere between £½m. and £1m.

Action

There is clearly action to be taken on this front, though whose responsibility in Government it actually is finds most people baffled. But the Centre-file operation for brokers is working well—as is that of Scan—and obviously if heads are not going to be put together they may well have to be banged together. The subject is too important for *laissez-faire*.

The year past has seen BOC emerge as the largest U.K. bureau with a wealth of equipment and software expertise at its fingertips. It has also seen the takeover by a big U.S. company, of Hoskyns and a number of regroupings strengthening the U.S. hold in one sector and the European hold in another.

What, indeed, one can ask has happened to the tacit accord between the Department of Industry and its French counterpart to encourage the growing together of the French and British service industries so as to present a common front in Europe? One suspects that the Plan Calcul/CII upheaval has broken so many channels of communication that it will take months for the *rapprochement* to get moving again.

And there are many who would question the efficacy of setting up large, multi-ability groups, claiming that it is far better to set up, by agglomeration, large software, or bureau or refurbishing groups who are masters of one trade and not jacks of all trades.

Nevertheless, the U.K. industry with its new found knowledge of minis and microcomputer study centres, such as the one set up by CAP, can still teach the Europeans a great deal. In these lessons, the most important point must still surely be how to get more out of equipment and software than the producer ever thought possible.

Ted Schoeters

Software houses seek recognition

HOW CAN a small software firm grow bigger without losing its individuality? The very fact this question has arisen is a comment on how the software industry has matured since its inception 12 or more years ago.

At first, a typical software firm was a very small group that had been started by one or more people who had had experience in that area. It was generally badly under-capitalised and seldom well managed. When a firm like this landed a big assignment, a frantic hunt began for extra staff and a group, rather than a properly trained and constituted team, was put together.

Often the problem was to get the job completed (a hazardous undertaking with software technology in its infancy and few disciplinary rules yet evolved) before going broke. Inevitably, system design was often inferior and implementation not fully carried through.

With a growing demand for software, the computer industry a magnet to the young, bright and ambitious, and experienced clients rare, software houses burst into blossom like tropical flowers and often died as quickly. In this environment, corporate identity was scarcely a problem. During that period, the industry earned itself an unfortunate reputation for instability and an irresponsible attitude towards clients.

To-day, all this has changed. Principles of software design have been evolved and the need for rigorous discipline appreciated. Many clients know precisely what they want. Contracts, in an international market place that is highly competitive, are not easily won. The older-established houses have learned, usually the hard way, that good management is an essential partner to good technology if one is to remain in business. The whole approach is professional.

Professionalism implies the integrity associated with the practice of older disciplines such as accountancy, engineering or medicine. It entails acceptance of full responsibility for the satisfactory implementation of an assignment and assumes that financial resources are adequate to sustain the cost of completing a contract when things go wrong, as they must sometimes.

"Individuality" in a business equates with personality in a man or woman. In a software house context, it covers such subjects as the approach taken to the making of contracts and management of projects, the calibre of staff recruited and the training and career development opportunities offered, the nature of relationships with clients and with hardware suppliers. Normally the corporate personality is strongly tinged by that of the man at the top. For some firms, "individuality" also means a reputation for competence in a particular field of specialisation.

All the software houses questioned about retaining their individuality accepted this as an important issue. They ranged from the old-established to the new, from small to large. Working in an industry where the product is highly specialised expertise, all recognise that people are their most important asset. Acknowledgement of this is shown not simply by lip service but by the care they take in staff recruitment and the matters they consider. They are strongly convinced that a "face that fits" is as important as the right combination of knowledge and experience, and several said they had turned down contracts, and would continue to do so, if they did not already possess appropriate human resources.

Selection

Parallel considerations influence the selection of software or hardware / software packages that many houses now market. The quality of the package, if acquired from outside sources, is just one aspect. Equally important is whether it covers an area in which the firm has already acquired a body of expertise.

It is considerations like this that cause at least some managers of software houses to believe that growth, *per se*, is not desirable. Andrew St. Johnston, for example, who partners his wife Dina in Vaughan Systems and Programming which she founded in 1959, pointed out that the firm is now smaller than it has been at some other times. This, he admits, is partly due to the effect of earlier recessions, though to-day's order book is in a very healthy state. The company, however, has always insisted on recruiting graduates, which it finds noticeably more productive than less qualified people, and when these proved hard to find it pulled in its horns. Now specialists in control and automation systems, particularly in warehousing, transport and distribution, it now finds suitable recruits more readily available, but would prefer to raise productivity yet higher to expansion.

Leonard Griffiths, chairman and managing director of the software house that bears his name, points out that his firm, which specialises in such subjects as strategic planning, database management and system auditing, has added only 10 to its original staff of 15 during its five-year life. "We'd rather refuse an assignment than use staff we consider unsuitable," he said. "We spend a lot of time and effort looking for the right people. Because we're convinced that the consultant must fully appreciate the clients' viewpoints, one of the most important criteria is several years' experience in user organisations, preferably as a user as well as a supplier of computer services."

Mick Punter, managing director of Zeus-Hermes, which has grown from a tiny group to 40 people since it started business in 1969, is engagingly frank about the experience that

CONTINUED ON NEXT PAGE

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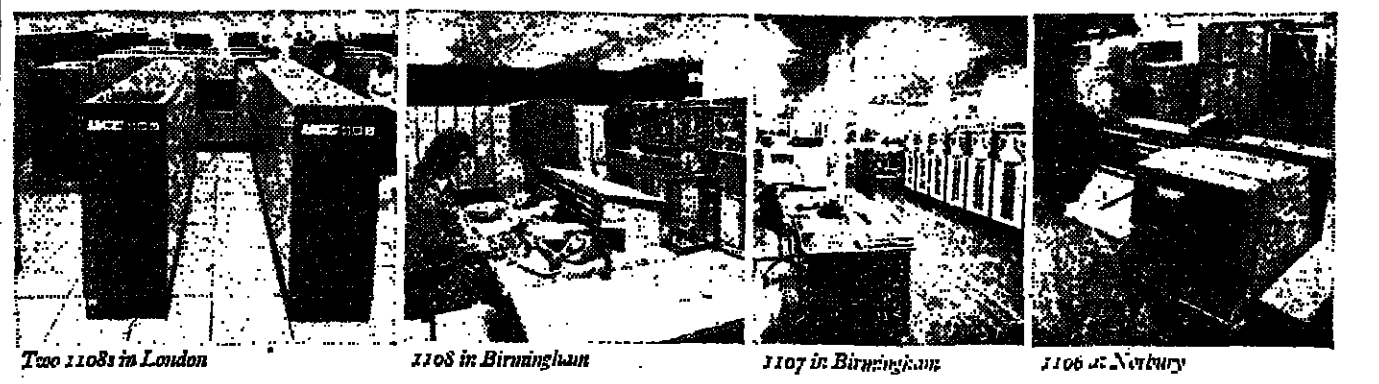
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The European connection

THE EUROPEAN presence of the computer service industry is emerging in different ways. First, the experience of cross-national alliances is providing useful facts on the commonality and special features of each country in Europe. Secondly, the formation of the European Computing Services Association (ECSA) during recent months is giving some formal shape and articulate voice to the needs of computer service activities.

Thirdly, the active role of the EEC directorates in applying computers, promoting studies of computer related topics and backing EEC-oriented issues in computing and telecommunications matters is concentrating attention on computer service functions.

For instance, Christopher Layton, who is charged with EEC responsibilities in both telecommunications and computers, has recently secured the agreement of the European telecommunications authorities to the evolution of a schedule of harmonisation on policies.

Layton is, in a sense, in the hands of these authorities and their view that harmonisation is realisable is crucial. For the computer service industry this means that eventually (and the time scale envisaged may be the subject of fierce debate by ECSA) even the vexed question of tariff policies could come within a European framework rather than narrow national issues.

In the shorter term the way that EEC institutions seek to apply computers and the technical standards of data transmission may be more relevant matters for ECSA - EEC dialogues. Just as most of the governments within Europe have been criticised by the local service companies for their obsession with computing seen only through the blinkers of those making computer processors, or mainframes as they are often called, so the EEC is now coming through the educational process of balancing service skills and products in computing against the boosting of volume sales of mainframes.

However, the EEC has used the consulting services available through the service sector of computing for some two or three years.

The existence of the European Space Agency has also encouraged self-confidence in alliances between service companies with differing national roots just as ESA, with its geographically dispersed sites, has naturally turned to a variety of consortia in implementing computer policy aspects of its operations.

Contrast

All this is in stark contrast to the basically competitive attitudes of the European service complex when viewed from countries outside Europe. For the oil-rich members of OPEC there is quite a different set of presentation policies as each EEC country strives to maximise its export value in computer systems and service functions.

A sample of what is involved came recently from Scientific Control Systems, the U.K. computer service company which is a subsidiary of BP. Scicon (as the firm is generally called) operates with links in France and Germany, but regards its triumph in securing a £24m. computer systems contract in the Middle East as a British gain.

Since much of the equipment to be used will come from U.S.-owned makers of small computers this largest ever export order for computer service functions is a dramatic sample of the delicate mix involved in wearing a European hat in the computer service arena.

Other matters of policy have also created a drag on the build-up to a European image of the computer service set of functions. For many years past the U.K. firm of Computer Analysts and Programmers has had an alliance with CAP France and joint ownership of an entity called CAP Europe. However, last year saw a change in ownership of CAP France which finally resulted in the dissolution of this piece of the European integration of service in computing.

Basically the U.K. CAP sticks to being a kind of professional partnership in the manner of accountancy firms, while the French have changed into an industrially backed group similar in nature to many process control engineering houses.

Both kinds of organisation have successes behind them to support their differing philosophies, but the point was made via the CAP Europe split that the two styles rarely mix well. Within both the U.K.'s Computing Service Association and the European Computing Services Association there are leading voices from both camps and there can be agreement on how governments should deal with both and the EEC monitor policy in Europe.

However, it does seem probable that a rough ride is ahead for any civil servant or politician who is simple-minded enough to ignore the differences and different roles played by the competing styles of organising a computer service firm or cross-national operation.

Threat

Where the computing service companies find plenty of areas for common action is against some common threat. The need for equity, both technical and commercial, in data transmission policies has already been mentioned. This does not simply affect the bureaux operators who run remote computing services across national frontiers, but also falls on those which design and build networks which need to run in equivalent fashions in a number of differing countries so that their software advice and implementation can be cost-effective.

For the overhead currently experienced in bending to local national standards is horrific and discourages policies which are seen as progressive by companies in the service sector.

This same need for harmonisation within Europe will also be felt in service companies which design commercial and governmental systems affecting personal data. The legal aspects of the privacy issue over the use of computers is currently up for national debate in the U.K.

Unless there is gradual progress towards commonality of treatment on personal data files in computers throughout Europe the growth of some na- [illegible] expertise in these matters may be restricted to companies with a narrow national outlook—and this might encourage companies with U.S. backing and so deplete the stock of service groups with a pan-European outlook.

Given that the validity of many functions in computing systems is held to be equal in most countries in Europe the first growth will be seen in creating product markets for software and services. An alliance has been formed between France, W. Germany, Italy and Britain which has resulted in a Brussels-based firm acting as a fully European entity.

The U.K. partner in this venture, launched only two months ago, is Triad Computing Systems, which is supported by minority backing through BOC, and is now marketing a novel text handling system called Scrapbook developed by the National Physical Laboratory in its original form. This shows the importance of a European network in creating a viable market pattern for new service products with a European skill heritage.

For there is little doubt that computer-based systems for handling textual material are likely to be a major growth market throughout Europe within the next five years. If there are few European firms with the resources of Xerox and IBM to carry out international marketing, there are still new entrepreneurs of the service side of computing to [illegible] up a challenge and to [illegible] user options for European businesses and government administrations needing text processing innovations.

Office overheads are due [illegible] attack as wage inflation accentuates the manpower growth recorded in administration in the past decade. Text processing exploiting electronics is a likely weapon in this attack. The European element in equipment sales is not [illegible] equipped to compete with U.S.-based giants.

Aside from this new industrial conflict the service houses may be encouraged to invest more in software development when they can see prospects of a profit from the [illegible] of a European sales drive [illegible] the finished product.

Hedley Vo

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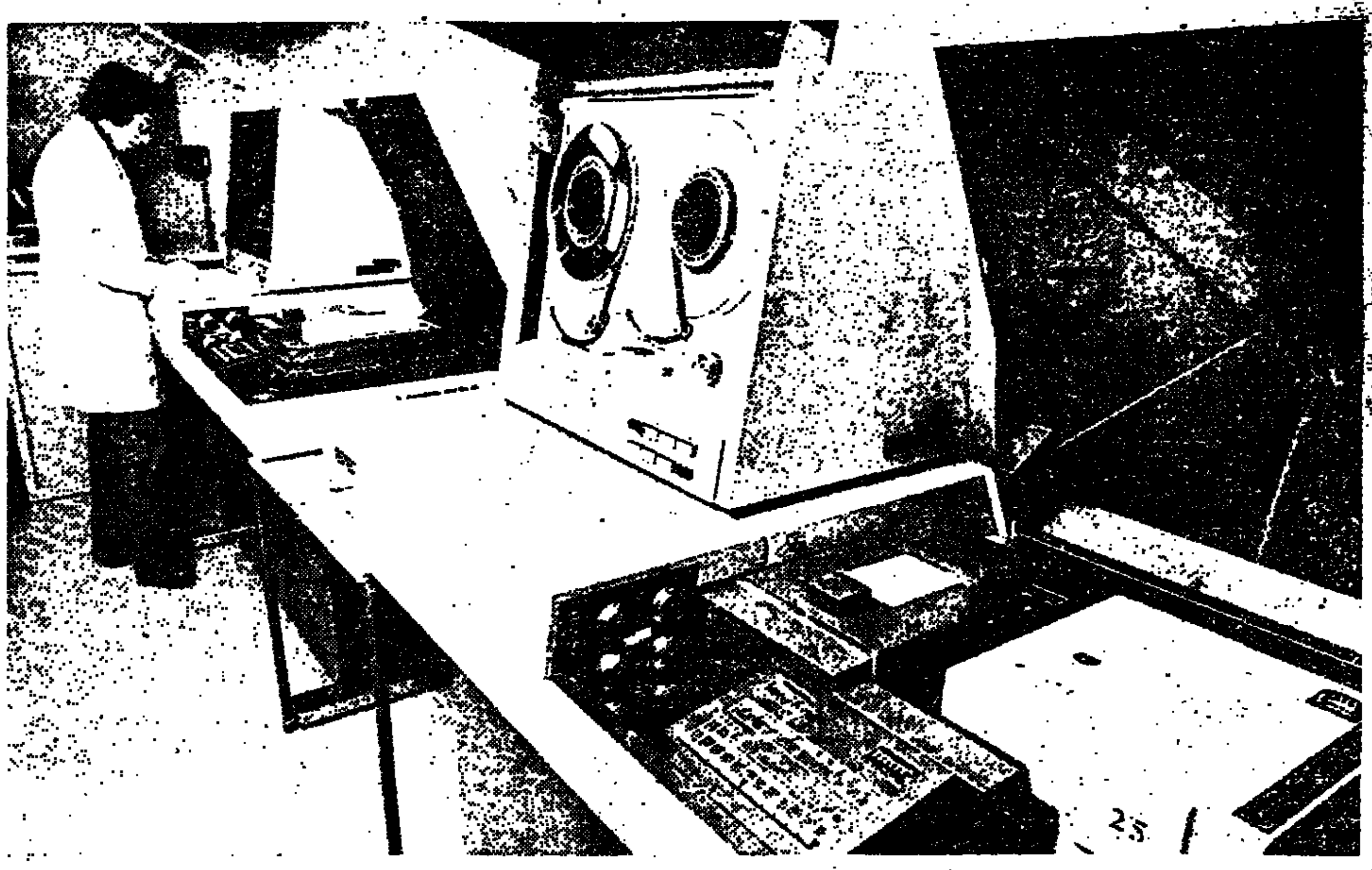

The operations room at the City branch of Eurocom Data.

Software houses

CONTINUED FROM PREVIOUS PAGE

caused him to think more seriously about staff recruitment and training, and preservation of the "elitist" image suggested by the company's classical name and its specialisation in esoteric subjects such as real-time systems. "We once took on a contract that left us no option but some last-minute body shopping—and we fell flat on our faces. It's a lesson we shall not forget." His firm recruits only those with high technical qualifications, but deliberately allows "absorption" time to allow them to identify with the company. "As we grow, we shall split into several small companies rather than become a single large organisation."

The importance of personal identification with the company which is a large factor in maintaining a recognisable public personality is accepted by two of Britain's largest software and systems houses, Computer Analysts and Programmers and SPL International. CAP, which has always had an employee shareholding scheme, has for several years been split into the kinds of groups envisaged by Mike Punter of Zeus-Hermes. This was first done, explained Meinard Donker, manager of external relations, when the original founders of CAP discovered that expansion involved them in so much administration they were losing touch with the technical side of the company.

Effort

"One thing we have to accept," says Mr. Donker, "is that as we got bigger we have had to devote more thought, effort and money to maintain the firm's identity. For instance, we now employ three full-time people on staff relations in London alone. We hold frequent management meetings and large staff conferences. Unless you consciously do things like this to pull people together, you end up with an assortment of individuals who know little of what is going on in the company at large and could begin to regard top management as 'they.'"

SPL International, which in more than 10 years' life has learned the hard way the importance of what its managing director, Peter Adams, calls "hard-nosed business management," has, he believes, successfully preserved its individual character through extensive growth and a variety of vicissitudes. During a financial crisis some years ago, it was acquired by Simon Engineering. "We are most fortunate in our parent," commented Mr. Adams, "because it has voluntarily confined its role mainly to that of banker and financial adviser."

SPL's method of working—on a pool basis, setting up special teams to cover whole assignments or various phases of these both here and abroad—helps company members keep in touch. Furthermore, it insists that managers attend London meetings at least four times a year and that each staff member has an annual fortnight there in internal education.

For many software companies, overseas expansion offers the best opportunity for growth, though this presents new problems in maintaining individuality. SPL has expanded mainly by setting up local sales and administrative centres which, to be successful, must include a high proportion of indigenous staff. Thus, though the British corporate personality inevitably becomes somewhat modified to fit other countries, constant communication and frequent visits in both directions preserve homogeneity of attitude and practice.

CAP, whose efforts to make a match with an overseas partner have recently been widely publicised in the technical Press, has good reason to appreciate the difficulties inherent in such negotiations. As in most marriages, the chance of success is enhanced by commonality of outlook and background; but the older-established and more successful the suitor, the more exacting his demands.

Summarising, the consensus among the software companies questioned was that the way to maintain individuality through expansion is initially to be highly selective in areas such as staff recruitment and choice of products and to consciously foster the corporate approach through internal contact. Meinard Donker of CAP believes it unlikely that any British firm will, even with expansion, grow into a really large corporation in the near future. "When that happens you have a different animal and different problems."

Laura Tatham

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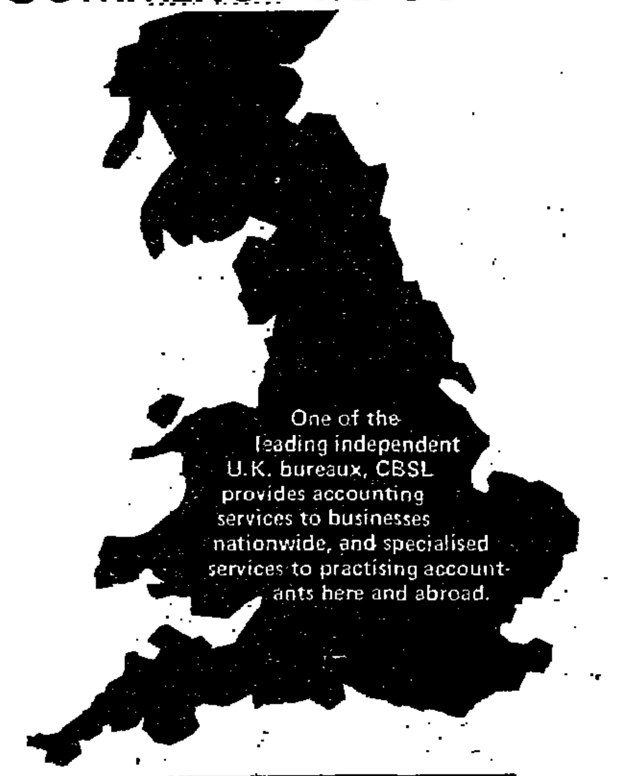

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Helping first-time users

ERNATIONAL BUSINESS ·hines, which is regarded as godparent of so many trends :omputing, set the prestige computing service groups several notches when it iched its System/32 product. with System/32 it accepted ublic policy something that been an unwritten fact for ral years—namely that the -time user does not become sufficient in computing :s easily. It therefore ·pted that software houses ld often be involved in set- up the System/32 outside hose industries where IBM rided a ready made set of grams.

his policy has been useful he service sector in many s other than the simple fact the extra volume of iness is profitable provided tackled the right way.

or it created a more com- prehensive picture inside the de complex of service com- ies of the options available rst-time users. Although the t experienced of service panies and the staff of the ional Computing Centre had ; been aware of the wide ety of choices suitable for entrants to the computing ne, it was not until IBM iched its highly motivated s staff into selling to the iller business that the picture ame crystal clear.

he cost of making a central cessor is steadily going down, the cost of putting that cessor to useful work still iands the labour-intensive ration of systems design and gramming. As an inter- liate measure the IBM way cutting the cost of program- ig is to produce applications kages which can be put to without too much expense the first-time user.

ut this bright notion only lies to a limited set of lications, and in some of se industries there are rival ions to IBM. The small busi- s and other first-time users urally see this choice as a topic for consultants to ad- e on.

First, these fledgling users wish to be sure that any package can be used in their business and secondly they want advice on the best way of securing a computer system if there is not a standard package, or one that is easily adapted. Some bureaux services are ideal for this purpose and the NCC and the various members of the Computing Services Association are competent sources of advice.

The options are very varied. Even for the user who feels that a small self-contained computer system can now be obtained for an appropriate total sum, including working programmes, there are new sources of supply that did not exist a year or two ago.

In those days the business computers came from office equipment firms, such as NCR, Burroughs, IBM, ICL, Univac, Honeywell, Nixdorf, Philips, Olivetti and Kienzle while the small computers from Digital Equipment, for instance, and a host of other technically oriented suppliers, made no sense at all to commercial data processing executives.

Now all that is changing. Several companies within the CSA specialise in supplying business solutions, complete with software, based on small computers made by the technical groups rather than the office equipment suppliers.

For the user who is uncertain whether to take on running any machine on site rather than use a bureau service there are other choices. For the bureaux operating within the U.K., and mostly represented as members of the CSA, are capable of offering different cost solutions to each user's problems.

Some offer a time-sharing service via a simple terminal or video display and some offer more extensive input and output volume capabilities through a remote unit linked to a central site. On the other hand, there are still many bureaux that believe the batch processing of data to be most cost-effective and arrange for data input and output accordingly (and again through a variety of collection and delivery methods).

Because of this bewildering set of choices it is vital to new entrants to data processing that priorities in terms of their business goals are sorted out first. Here the NCC and many of the members of the CSA can provide the classic advisory services for users who may fear to be landed with an unreliable supplier, or a badly programmed system.

The NCC has a good map of experience with all of the options available to the new user of computing, and the CSA membership's abilities are part of that map. The combination can at its best provide services which really understand the business problems of the user and avoid turning the entrepreneur into a technical ostrich in the process of putting a computer to work.

But even apart from getting the processing carried out by a computer to fit the business, there is much in technical terms that the first-time user may wish to learn about. The new user of computing may wish gradually to evolve enough skills in-house to produce future systems and software without excessive recourse to external businesses. Even in the matter of skill growth, the NCC and members of the CSA are able to plot a path which avoids the creation of excessive internal overheads and yet sets up a base of key skills.

There are also natural concerns for new users of computing systems when they pick a system which is basically made by entities which are not office equipment names the user knows from past experience. A system may be supplied from a CSA member dealing with machines from one technical supplier, such as Digital Equipment, with peripherals obtained from other companies specialising in those items.

Hardware

Then the question naturally arises as to how the maintenance of this mix of hardware is to be best contracted for. Users who establish links with some time-sharing bureaux may also think over the problem of maintenance of their terminals which are important to the reliability of the system.

Fortunately, the U.K. is now blessed with very experienced maintenance companies which operate quite independently of the main makers of computers and office equipment. The NCC has a file of these and more than 30 names are listed there. Some of these are large contractors, such as Computer Field Maintenance, Systems Reliability, Extel's engineering division and companies such as Cable and Wireless.

Others are companies which have small groups of staff concentrating on special regions or special equipment. But all told there are now around 1,000 engineers working on computer-related field maintenance throughout the U.K. and the industry is firmly established as a support function.

This simple fact creates yet another option for the new potential user of computing. It may be that a used machine offers a good source of business data processing capability. The buyer of many used machines can now be assured of good maintenance just about anywhere in the U.K., regardless almost of whether the original maker of the machine is involved in dealing with that user.

The most sensitive part of the deal rests with the copyright to the operating software which schedules the housekeeping of the machine's running of the final applications software. The main suppliers of older ranges of computers may not look benevolently on the emerging market for used machines, but the maintenance of the hardware is hardly a barrier to its growth. This exemplifies the status of the maintenance forces from independent companies.

These growth patterns also underline the way that the service sector of computing activity has grown in compass to create a business which gets data processing done for users unwilling, or unable, to deal directly with the famous names listed in the league of giants in computer manufacture.

This same sector has thrived on the most experienced of the users who deal with that gilt-edged band, for the first dealings with almost any new service in computing can usually be found to have derived from a special need of some very hard headed and experienced computing user.

The independent maintenance contractors have also been fired in the same kiln and recently the news that British Airways was actively examining a possible contract with independent sources of maintenance gave a further boost to the reputation enjoyed within the leading four or five companies in that business.

But as with all mixing of operational and service businesses there is still a real need for the first-time user to find the right partner in an enterprise, such as data processing, which is so close to the heart of most business operations.

The service firms can supply special needs, bulk needs, security, confidentiality and a super level of technical skills. What a new user has to do is to match a business profile from the service side (maybe more than one) to the one which is the source of profits to shareholders and income to employees. For in these profits and their growth lies the success of business computing—not in the mere expansion of technology.

Hedley Voysey

A Logic 2000 accounting computer system.

Attractions of time-sharing

FOR A number of years U.S. observers have been predicting the demise of those computer bureaux unable to offer time-sharing services, and while it is true that time-shared facilities have expanded very fast, this is often in the somewhat special context of powerful U.S. parents or allies able and willing to make available a wealth of experience to provide a flying start.

Indeed, the experience of a number of U.K. bureaux, TSL among them, shows that the experts in time-sharing are also experiencing unprecedented demand for their remote job entry and batch facilities, though whether this is the effect of the specialist management projections in a crisis context is a moot point.

In the meantime, authoritative data on time-sharing and the problems faced by a management when selecting and using a service will be available from ERA in April this year. Basically the concept sounds most attractive since it allows a user to employ a lowly local terminal to gain access to the capabilities of the largest computers installed. But practice varies widely from one facility to the next insofar as operations, contracts, fees and results are concerned and the ERA study will seek to provide guidelines for managers' evaluation. Twelve bureaux will be studied by ERA and a comparison made for subscribers to the evaluation.

Storage

But some people who are active on the bureau front say that technology, particularly that embodied in mini and micro machines and mass storage, is changing the scene and that distributed computing, shared between a bureau and its clients, will be the order of the day.

Cambridge Computer Services, which is running just such a distributed scheme under the name Camlink is, of course, one of the main defenders of this notion. But all those bureaux who are installing or proposing to instal intelligent computer-based "terminals" in subscribers' offices are reinforcing the CCS assertion.

Camlink requires an intelligent video terminal at the user end powerful enough to process day to day routines. Control of source data stays with the user but the central machine is updated each time the terminal completes a piece of routine—and this unit is so well designed that the average typist can learn to run it in a day. At the moment Camlink covers most commercial routines plus a number of specialised features suiting specific industries.

This group has also sought to provide aids to managers to help them with inflation conditions and has developed a package around the concept of "net output" which will largely isolate the effects of inflation.

These developments could be considered a somewhat specialised version of a standard accounting routine, contrasting with the straight no-frills payroll service offered with great success by Centre-file. They are very different from the specialised services run by WS Atkins from six U.K. and one Dutch centres.

Printed circuit layouts, seismic survey analyses, stress plotting of civil engineering models and detailed drawing of land survey results are only a few of the possibilities of the Atkins repertoire which has developed side by side with services to Rio Tinto-Zinc, Dow, Redifon, Unilever and Alfa-Laval among others.

Concentrating solely on financial modelling is the work by Computer Modelling of Esher which is based to a large degree on the well-known Prosper routines from ICL. The group is offering a tailor-made corporate model for companies taking their first step into the area and reluctant to commit any further resources of their own data processing department. It is available on terminals from the 1906 A of the Plessey Group through Computerline Bureau Services.

Even more specialised is the computer output on microfilm service operated by the National Westminster offshoot Eurocom. This organisation has been surging ahead and in January this year the Eurocom centres in the U.K., Sweden and West Germany will process more than 10m. original pages of COM, an increase of nearly 300 per cent. over the same month of 1975. Eurocom has grown in the same period from two to nine centres and the customer base from less than 100 in the U.K. to more than 325 in the countries in which Eurocom now operates.

Eurocom management attributes this growth to the realisation by an increasing number of companies that COM reduces costs and improves efficiency. Accelerated growth of the business is anticipated in 1976 and Eurocom expects to process nearly 200m. original pages of computer output during this period.

Many users are thinking again on the costs of using microfilm to store and retrieve important company data compared with those of an on-line computer solution. Figures compiled by Kodak show that they amount to only \$111 per day against \$730 in a specified instance; the major saving being at the input stage.

Pressure

These figures have to be quantified for various situations, of course, but a one to seven differential has to be examined very closely at a time when everyone is under pressure to pare costs to the bone.

An interesting sideline of Mills Associates, which runs eight bureaux based on ICL units in the U.K., is the engineering division's maintenance service to other ICL users which includes the design and engineering of plug to plug compatible peripherals under the Ampex label. This can provide considerably more power from a given 1900 than available from the maker.

Prime shift maintenance is comparable with that of ICL, but on all other shifts significant reductions are claimed. With this go facilities for examining used equipment for purchase overhauls and modifications, and arbitration in cases of client/manufacturer disagreement.

All this shows how diverse are the areas the bureaux become involved in, but companies would be ill-advised to forget that technology is progressing all the time, particularly those offering such services as a quick turn around payroll.

Recently a Logic 2000 accounting computer was installed by regional agents for that Office Data Systems machine — RCM Business Machines of Weston-super-Mare. During its use as a demonstration unit the agents quickly realised that they had here a potential payroll winner and have taken on "bureau" work to support five users already, each averaging 60 employees.

The average cost to users is £7.50 a week and this on a unit starting at less than £3,000. Similar experience, though in different processing areas, is bound to crop up with the Comet display/keyboard payment control equipment now backed by De La Rue.

The inference is that bureau operators will need to expand activities their U.S. counterparts have been engaged in for some time past under the slogan "if you can't beat 'em, join 'em."

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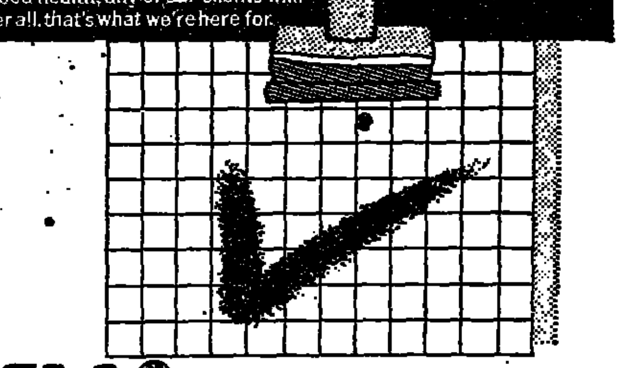

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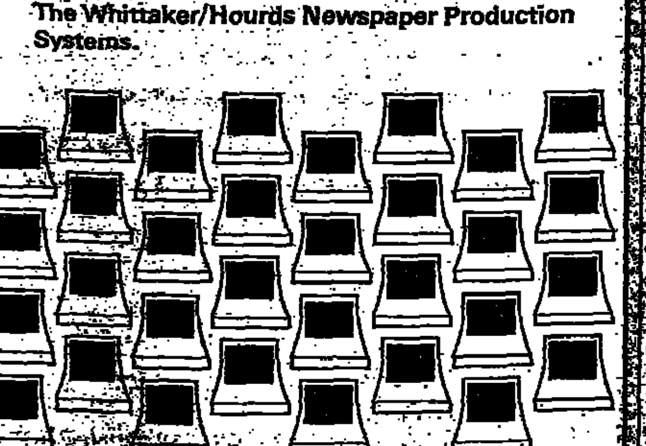

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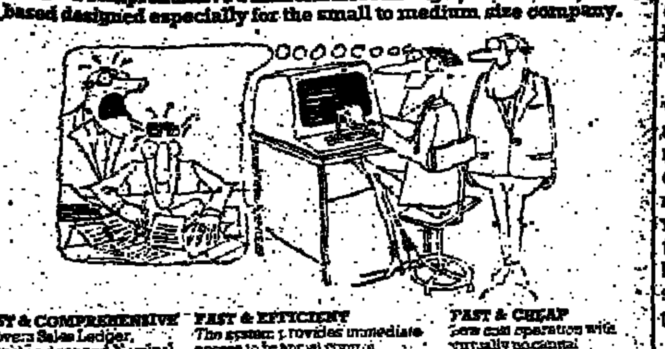

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PARLIAMENT

Steps to boost investment this week

By Justin Long, Parliamentary Correspondent

THE GOVERNMENT will announce later this week further steps to stimulate industrial investment. These steps will be additional to the £300m. economic package put forward just before Christmas, Mr. Denis Healey, Chancellor of the Exchequer told the Commons yesterday.

Reporting on the outcome of last week's International Monetary Fund meeting in Jamaica, Mr. Healey claimed that economic successes of the Government had won from world Finance Ministers, not merely approval, but even envy. He brushed aside incredulous interruptions from the Opposition to outline areas of Government policy which had elicited this admiration.

There was the "impressive success" of the £6 pay limit, now envied by a large number of Governments, declared the Chancellor. There was the "very significant advance on solving balance of payments problems," and, thirdly, the evidence of Britain's ability to ride through the world recession with lower levels of unemployment than most of her competitors.

The Chancellor ruled out any prospect of an early return to fixed exchange rates, pointing out that this was the view of the overwhelming majority of members of the IMF. That view would have to be reversed by 85 per cent. of the organisation's membership to secure the reintroduction of rigidity to the rates of exchange.

From the Opposition front bench, Sir Geoffrey Howe, "shadow" Chancellor, contended that there was some mystery about Mr. Healey's rôle in Jamaica. He had been reported as having accused third world countries of blackmail in their demands on the Fund. But there was also the question of whether the Chancellor, acting on behalf of Britain as a debtor nation had himself assumed the role of blackmailer.

Stability

Mr. Healey rejected both accusations as "totally untrue." He also dismissed the suggestion that the measures announced by the IMF would fuel further world inflation.

From the Tory backbenches, Mr. Norman Lamont (C Kingston-upon-Thames), urged the Chancellor to "stop lecturing countries like America and West Germany on their obligation to reflate their economies."

The Chancellor said he trusted that those countries would fulfil undertakings given at Rambouillet, and he thought it would be wise to support them in the undertakings.

In his statement, Mr. Healey dealt with the exchange rate arrangements. There had been emphasis on the objective of stability, he said. This required the collaboration of all countries with each other and with the IMF and provided a framework for the possible re-introduction of a par value system in future.

But the arrangement recognised in a realistic manner the need for individual countries to be able to choose, within the framework of international co-operation, the basic exchange rate system they preferred.

These formal proposals were to be supplemented by greater practical collaboration between countries with leading world currencies over the day-to-day management of their exchange rate relationships.

On gold, the agreements already reached provisionally at the end of August, 1975, were confirmed. The role of gold as a central standard of value would cease and it would be replaced by the special drawing right, said Mr. Healey.

'Empire' stays for honours

THERE SHOULD be no change in the name of traditional honours referring to the British Empire, Mr. Harold Wilson, the Prime Minister, said yesterday in a Commons written reply.

Mrs. Lena Jeger (Lab., Holborn and St. Pancras S) had asked him to consider replacing honours referring to the Empire with honours of a more contemporary name.

Mr. Wilson replied: "Suggestions of this kind have been considered from time to time, but have not attracted any particular support. The balance of advantage remains, in my opinion, against either a change in the traditional name or the setting up of a new order."

Coal stocks higher

COAL STOCKS amounted to 31.8m. tons on December 20, 1975, Mr. Alex Eadie, Under Secretary for Energy, stated in the Commons yesterday.

He described this figure as rather higher than in normal years in the recent past due to the prevailing low demand for energy.

Objectives for Ulster peace

BY PHILIP RAWSTORNE

THE GOVERNMENT yesterday promised determined and sustained action to strengthen security in Northern Ireland—and called on Ulster's politicians in return to renew the search for agreement on a power-sharing administration.

Without success in both objectives, the future of the Province held little hope, Mr. Harold Wilson told the Commons.

Gravely hushed in recognition of yet another critical stage in the development of Northern Ireland policy, the Commons gave overwhelming support to the decision to recall the Ulster Convention.

Its first report, said Mr. Merlyn Rees, Ulster Secretary, did not command sufficiently widespread acceptance throughout the community to provide a new system of stable and effective government. But the progress that it had achieved encouraged the Government to believe that an administration providing some form of partnership and participation could be evolved.

There was, however, little sign of optimism on the Commons benches—and even less after Mr. Rees had given the Convention only four weeks to accomplish its task.

But Mr. Rees insisted that there was a firm foundation of agreement on which to build—and the situation in Northern Ireland demanded that a stable government should be built quickly.

"We have every right to look to the Convention to provide that measure of agreement which will deprive those who pursue their violent ends of the basic political disagreements on which they thrive."

Mr. Airey Neave, Conservative spokesman, agreed, showing markedly more enthusiasm after the reassurances about security provided by the Prime Minister.

County Armagh, said Mr. Wilson, was being treated as a Special Emergency Area and he justified his capital letters with a list of the increased security measures being taken. With the urgent and close co-operation of the Irish Government, every effort was being made to stamp out cross-border banditry and murder.

Mrs. Margaret Thatcher, the Conservative leader, welcomed the Government's action. It would have the full support of public opinion for any measures that were necessary, she said.

Mr. Edward Heath, the former party leader, suggested that nothing less than "absolutely overwhelming force" would be required to defeat the "real and brutal terrorism."

Whatever was needed would be done, Mr. Wilson assured them. But he repeated, as he made way for Mr. Rees, that security measures alone could not safeguard the future of the Province.

Republic equally set on stamping out cross-border banditry—PM

A NEW information system for the Army's use in Northern Ireland, based on automatic data processing, was announced by the Prime Minister in the Commons yesterday.

In a statement on further moves against terrorism, Mr. Wilson said that murder and violence had reached a new peak in South Armagh in the first few days of this year and the Government were right in treating the whole of the county as a special emergency area. "The security forces have stepped up their activity throughout this area."

Giving examples, Mr. Wilson said there were more check points for vehicles and people. "There is a much more extensive use of personal identity checks. These increased checks inevitably cause some inconvenience, but they must be accepted in the interests of the safety of the community as a whole."

Surveillance operations would be increased, particularly along the border, and powers under the Prevention of Terrorism (Temporary Provisions) Act, 1974, to question people within a mile of the border, would be used more extensively.

"Intimidation of householders has made it necessary for more house searches in the area. But there is no intention of harassing the civilian population.

"Existing powers to arrest and question suspects are sufficient, and they will be used to the full in this area with a view to bringing people to justice before the courts. There is no intention of arresting people at random."

Passes

Mr. Wilson said that the border presented a special problem. Some, but not all, of the gunmen operating in Armagh escaped to the other side of the border after their cowardly attacks.

"A number of practical steps are in hand. A new information system, based on automatic data processing, is to be introduced by the Army to handle existing records so that information can be processed and acted upon more quickly.

"More border roads can be closed, if this is necessary for security reasons. We are studying urgently a number of other measures for greater control over vehicle movement, including a possible system of passes for vehicles using those unapproved border roads which are being permitted to remain open.

"But we must be sure that any measures we take will be effective, and not merely consume manpower without hindering the gunmen."

Mr. Wilson paid tribute to the co-operation being received from the Irish Government. There was no doubt they were as determined as the British Government to stamp out cross-border banditry and murder.

"There is now close and valuable co-operation between the RUC and the Irish police. It is in this area of joint co-operation that the greatest hope lies of dealing with this aspect of the present Armagh situation. Action taken on one side of the border without matching action on the other side will not work."

As a result of talks with the Republic of Ireland, communications and operational contacts between the police forces of both sides had been strengthened and the programme of joint activity extended.

Mrs. Margaret Thatcher, Opposition leader, emphasised that action should be "determined and sustained." Recent violence had led to "a wave of repugnance throughout the U.K.," and Mr. Wilson had "a full basis of public opinion to take any action necessary to restore order."

The only worry of the Opposition was whether the measures would be strong enough "for what you have described as a special emergency area."

Replying to Mr. Jeremy Thorpe, the Liberal leader, Mr. Wilson said he had proposed that there should be talks between the main parties in the Commons including those from Northern Ireland and that these talks should be regular. He hoped the proposal would be accepted.

He told Mr. James Molyneaux (UUU Antrim S.): "There is no question of our marking time while awaiting any constitutional solution … . There will be no future for Northern Ireland unless first we have really effective security against terrorism and a viable and acceptable political solution."

Mr. Kevin McNamara (Lab., Hull Cent.) asked whether increased security would be concentrated only on the border since "the real problem is one which is indigenous sectarian violence from both sides of the community within the county."

Mr. Wilson said there was evidence that those responsible for the killing of the 10 Protestants had probably only been in Northern Ireland to commit the murders for a total of one hour. "Therefore we must take the border question seriously."

But the Government was also looking at the whole question of security. All the forces of law and order were determined "to root out and punish terrorism." This would be done by getting offenders before the courts "irrespective of perverted religious beliefs" that motivated them.

Kirk Ashwood

Mr. Harold Wilson, the Prime Minister, arrives at the Commons to make his Ulster statement.

Mr. Edward Heath (C., Sidcup) said he fully supported the measures Mr. Wilson had announced but added: "I must warn you that the movement of forces you have sanctioned is inadequate to deal with the security situation which is now developing in Armagh."

The previous Conservative Government had been able to deal with the situation in Londonderry only by the use of overwhelming force. It was for this reason that the operation had been successful and that so little injury was caused to civilian personnel.

"I fear the problem is one of having sufficient numbers of men to deal with the situation. To move the Spearhead Battalion and the SAS is not adequate."

Mr. Wilson replied that he took seriously the warning about the inadequacy of the movement of forces, but said the comparison between the present operation and Operation Motorman was not valid.

In Londonderry, the problem had been one of opening up "no-go" areas in the city. But only a small handful of men had been involved in the action against ten Protestants returning from work in South Armagh. "Their ability to escape the consequences of their cruel action so far was due entirely to their mobility and to the fact that they were able to get across the border.

"I do not believe simple numbers will solve the problem, still less anything of the nature of the Motorman Operation. Whatever forces are needed to make a success of this operation will be made available."

Mr. Gerry Fitt (SDLP Belfast W.), said: "There is a great deal of suspicion—some people would call it mythology—about the SAS regiment in Northern Ireland."

"Two former members of the SAS had said in Press interviews to-day that the SAS was a non-orthodox regiment, and used non-orthodox methods. This may, or may not be true, but it could create fear in the minds of people who did not fully understand the role of the SAS regiment.

He asked for an assurance that the SAS would be under strict military discipline and the same instructions as any other regiment, so as to allay any fears which might have been created by the Provisional IRA.

Mr. Wilson said there had been "some misunderstanding" about the role and nature of the SAS, and their training and purpose. "The SAS will be employed and deployed solely under the control of the general officer commanding as soldiers aiding other soldiers in dealing with the problems of terrorism in the area."

Replying to Mr. David James (C. Dorset N.) who suggested possible changes in the border, Mr. Wilson said: "We are more concerned with stopping terrorists from crossing the border than in redrawing it."

Rees rejects talk of withdrawal

THE Northern Ireland Convention is to be reconvened from February 3, Mr. Merlyn Rees, Ulster Secretary, told MPs

He said the Government wished the Convention to consider whether progress could best be made on the basis of setting up a system of Government which, though not temporary, was capable of evolving over a period of time into permanent and agreed constitutional arrangements.

Mr. Rees, opening a Commons debate on the Convention report, said he hoped the Convention could make progress within four weeks.

Mr. Airey Neave "shadow" Ulster Secretary, said the Government was right to recall the Convention to consider further a Governmental system which could command widespread support, including that of the minority.

Mr. Rees said that continuing and appalling violence had undoubtedly added to the groundswell of opinion in Great Britain that we should withdraw and leave Northern Irishmen, whether Catholic or Protestant, to fend for themselves.

"The Government is in no doubt that this would be a grave mistake. It would solve nothing. I have no doubt that withdrawal, abandonment of our responsibilities to citizens of the U.K., would precipitate violence on an even greater scale than we have seen so far," he said.

"Withdrawal would be a shortsighted policy, but above all an irresponsible policy. Equally, a united Ireland is not in the gift of this Parliament."

There was no easy way out of the enmeshed and intricate problems. Para-military forces on both sides behaved with savagery, and reacted with savagery. "They are not taking part in some theoretical discussion in a drawing room or a weekly editorial conference."

Mr. Rees said that the Government accepted that Northern Ireland was different in a number of ways from the rest of the United Kingdom. But however different it might be, to be part of the U.K. meant that it was subject to the authority of the Westminster Parliament.

Experience in recent years had made it plain that no system of government within the Province would be stable or effective unless both parts of the community acquiesced in that system, and were willing to work to support it.

The progress already made by the Convention, and the degrees of agreement already reached, encouraged the Government to believe that the Convention could make further progress.

Evolve

All the parties in the convention recognised the existence of an Irish dimension, but the Government did not consider it necessary to create an institutional framework such as a Council of Ireland for relations with the Republic.

"Arrangements for co-operation should evolve positively and naturally as, and when, the need for them arises." Parties in the Convention agreed in principle that a future Northern Ireland administration should have responsibility for law and order. The Government considered it an essential prerequisite that all members of a Northern Ireland Government should publicly support the security forces.

"So long as the Secretary of State remains responsible for security policy, responsibility for emergency legislation will remain with this Parliament.

"Once the Army in Northern Ireland has been reduced to peacetime level—which depends on the level of violence—the Government will be prepared to transfer responsibility for the police to a new Northern Ireland legislature and executive."

He would soon publish the working party report on complaints against the police and hoped shortly to put before Parliament legislation to provide a new complaints procedure with an independent element in line with that proposed for England and Wales.

Mr. Rees added: "The Government would also be prepared to transfer responsibility for administration of the prison services and for treatment of offenders generally, not later than the transfer of responsibility for the police."

Mr. Rees said he would publish shortly a White Paper containing those matters the Government wished the Convention to consider "The prime requirements are for a more widespread acceptance throughout the community of some proposed system of government and for some form of acceptable partnership and participation.

"If these requirements can be met, then we could be in sight of a government within Northern Ireland which is common ground for us all. I hope that the Convention can make progress on these matters within a period of four weeks."

Mr. Rees emphasised that Northern Ireland would continue to be governed by and from the Parliament at Westminster. "The Convention is not, and cannot be, an advisory body to me nor can it play a wider role in the government of Northern Ireland. The Convention will soon come to an end. I have no power to prolong its existence."

Asked by the Liberal Leader, Mr. Jeremy Thorpe, to confirm that he was advocating power-sharing—"and if that is not acceptable, direct rule will continue"—Mr. Rees replied that the Government had to "find a way which would involve both the communities in government.

"What I would like to see is normal party politics in Northern Ireland, where people could vote on their views and interests, not by religion and mythology."

Opposition spokesman Mr. Airey Neave said that Mr. Rees would have "a wide measure of support for what he has had to say about the Convention."

He added: "There is a great danger to this country that the people who face what they imagine to be the problem of Northern Ireland are being encouraged to turn away from it. In this worrying and supine attitude lie the seeds of a more terrible disaster."

Anybody who had been to Ulster could have no doubt that withdrawal of the Army would lead to disaster. Their withdrawal was wanted only by the Provisional and Official IRA, not by ordinary people.

"Any talk of withdrawal at present, gradual or otherwise, would be very damaging to the morale of ordinary people in Northern Ireland, let alone the security forces."

It was not good enough to say to the people of Northern Ireland they must stop the killing, while the Army stood by maintaining a low profile. "From now on, South Armagh must be an area where the Army is on the offensive. The Army must be seen by everyone in those areas where these murderers rule."

Mr. Neave said there was a need for close collaboration with the Dublin Government, and for a direct link between the British Army and the Army of the Republic. "Is it not time for military staff talks to begin between the U.K. and the Republic, leading to a joint plan of action?" he urged.

"Border patrols should not be limited to the police. The whole border area on both sides must be made too hot for the terrorists."

LABOUR NEWS

Steel industrial action threatens to spread

BY LORELIES OLSLAGER, LABOUR STAFF

INDUSTRIAL action threatened to spread in Wales yesterday over the British Steel Corporation's labour-saving plans, but shopfloor leaders of about 20,000 Scottish steel workers decided against a strike.

The action in Wales could soon become a serious threat to production in BSC's tin plate division, one of the few divisions where the order book position has improved recently.

For the time being at least, the unrest in Wales is not in direct opposition to the modified savings plan offered by BSC to the unions after marathon talks last week.

It stems from previous attempts by the Corporation to unilaterally introduce labour economies at a large number of plants.

In Scotland, on the other hand, a delegate meeting of the Iron and Steel Trades Confederation decided against strikes, but called for rejection of the modified plan.

Their decision appears to have been largely influenced by the ill-feeling generated by BSC's earlier actions.

The spread of unofficial strike action inevitably would complicate the present position, when the unions still have to decide whether to accept the modified savings plan and may want to go back to the Corporation to ask for one or two further amendments.

Some union leaders in favour of trying to seek an agreement with BSC fear that shop floor militancy might gather momentum and lead to rejection of the latest, modified package before people had a chance to digest it properly.

In addition, the spread of industrial action against union advice could stiffen BSC's obvious reluctance to go beyond the concessions it made las week.

The latest unrest in Wales i at the Torstre and Velindr works in the tin plate division where a joint union committe called for strike action fron Thursday unless the manage ment withdrew unilaterally im posed reductions in week-en working.

The committee is also demand ing payment for those men wh reported for work the Sunda before last inspite of manage ment instructions to stay away

The demands are very simila to those by about 1,000 worker on strike at the Port Talbo works, who have decided to sta out until Thursday, at least, an by about 600 members of th Transport and General Workers Union at Ebbw Vale, wh decided yesterday to exten their strike for 24 hours pend ing talks with the managemen this morning.

Cut out disputes, Leyland men told

By Christian Tyler, Labour Staff

A WARNING to Leyland car workers to cut out unnecessary disputes and stoppages came yesterday from Mr. Harry Urwin, deputy general secretary of the Transport and General Workers Union.

The warning, from one of the trade union movement's most influential figures, coincided with shop-floor elections at the troubled Cowley car assembly plant which have been preceded by public denunciation of "extremists" by a senior TGWU steward.

Results of the elections, for seven posts of deputy senior steward, probably will be known to-day. Mr. Alan Thornett, the Trotskyist branch chairman known as "The Mole" for his underground activities, is one of 34 candidates.

Mr. Urwin, an architect of the Ryder report that led to the rescue of British Leyland and now a member of the National Enterprise Board, said that workers must give the company maximum co-operation.

'Message clear'

"Let us not forget this. The Government owns Leyland, which means that we own it and, as taxpayers, we are the shareholders, if you like.

"The message is clear for Leyland and its workers. Unless the volume of production is raised, unless unnecessary disputes and other interruptions are eliminated, there is no point in investing more money."

Nationalisation of Leyland could be a major success. The worker participation scheme should be used to sort out problems, said Mr. Urwin, writing in the TGWU newspaper, The Highway.

At Cowley a heavy turn-out was reported for the shop-floor ballot of 3,500 TGWU workers, which the "moderate" faction construed as a good omen.

A last-minute attempt was made by one branch to have the election postponed and conducted by the Electoral Reform Society.

Mr. Tim O'Sullivan, branch chairman, said that the branch was already seeking an investigation into recent elections for area representatives because of "abnormally high" voting figures.

'Bandwagon' warning

MR. LEN MURRAY, TUC general secretary, said yesterday that outsiders were trying to cash in on the increased health and safety training needs of industry.

He was speaking on the training needed for the new trade union health and safety representatives at the opening of the Association of Scientific, Technical and Managerial Staffs' Whitehall College at Bishop's Stortford.

"There are already signs that outside organisations, some of them more anxious to make a quick pound for themselves than to make our offices and factories a safer place to work in, want to jump on the training bandwagon," he said.

"We have had a bellyfull of those people with their £50-a-day courses — financed - often by Training Board grants—in plush Park Lane hotels.

Linwood volunteers for redundancy now total 2,000

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

A SURPRISING 2,000 of 7,000 employees at Chrysler's Scotland plant at Linwood have opted for voluntary redundancy under the Government-assisted £162m. rescue programme, which involves reducing the overall labour force by 8,300.

The 2,000 is a far higher figure than the management had expected. It bears out suspicions that workers at Linwood will be able to find alternative employment equally as well as their counterparts in Coventry, which is also suffering from a high unemployment level.

At the Stoke engine plant at Coventry, which returned to work yesterday, about one in four of the 4,000 workers have opted for voluntary redundancy.

This again is a higher figure than had been thought likely in view of the already high figure of unemployment in the city—more than 6 per cent.

At the Avenger car works at Ryton, about 700 of the former 6,000 workers have put their names down.

The 4,300 workers who have opted for voluntary redundancy—applications close to-day—represent about two-thirds of the number due to be dismissed in the first phase of the labour run-down to be implemented early next month.

Under the original agreement with the Government, Chrysler was to have applied compulsory redundancy on a first-in, first-out basis, the cheapest method for the employer.

After objections by the trade unions, it agreed to allow redundancy "inquiries" from the workforce which commits neither side—the workers can withdraw if they have second thoughts and the company can if it does not want to lose the worker.

Chrysler has said that it may not be possible to let all the volunteers go because of the need to retain a balance of skills in the different factories.

This is particularly important because production is to be moved round and new models introduced, which will involve a change in the balance of skills to those normally required.

The scheme is based on the statutory redundancy terms. Chrysler believes that the 4,300 workers could be shed without breaching the cost parameters laid down.

Car deliveries threat

JAGUAR AND TRIUMPH car deliveries are threatened by a strike of about 100 drivers at British Road Services car transport depot at Baginton, Coventry.

They are supporting nine yard staff who complain they need extra staff. Four are said to have been dismissed recently.

The management said yesterday that it was willing to discuss the dispute as soon as work resumed. Meanwhile drivers are refusing to break the picket lines and are actively supporting staff.

Shop stewards representing seven depots in the Silcock and Colling Group decided in Coventry to continue a stoppage against increased productivity demands which is hampering delivery of Ford cars from Merseyside and Dagenham and will slow production at Chrysler's Coventry and Linwood plants. Some Vauxhall models are also affected.

The stewards are hoping to have two or three representatives at a meeting in London to-day with the independent Advisory, Conciliation and Arbitration Service.

Printers claim full £6

BY OUR LABOUR STAFF

UNIONS representing 200,000 printers in provincial newspapers and in general printing are to claim the £6-a-week pay rise allowed by Government policy.

The unions will demand that the next national agreement, due in April, is open-ended, so that they can return to the bargaining table when the pay policy expires and discuss restoration of lost differentials.

A £2 basic rate rise for craftsmen paid in November will have to be deducted from the £6 in April, but because this increase in basic rates has differen effects on overtime earnings, th unions are discussing ways ensuring that all members g the full balance of the £6.

ICI recognition ballot

BY OUR LABOUR STAFF

AN INTER-UNION struggle over representation of more than 9,000 ICI senior managerial and professional staff comes to a head this week with a ballot of staff which begins to-morrow.

The Association of Professional Scientists and Technologists won agreement from ICI that a ballot should be held after an independent audit had disclosed that the union represented more than a quarter of the staff involved. The APST expects ICI to recognise it if it achieves an overall majority.

The Association of Scientific, Technical and Managerial Staffs which claims to represent more than 20 per cent. of the staff i volved, has not yet had its me bership audited. It says that ballot covers only the APST a told its ICI members yester that the ballot was "disrupt and ill-timed."

ASTMS already represe ICI's white-collar scientific a technical staff.

ASTMS intends to ask the i dependent Advisory Conciliati and Arbitration Service to co duct a survey next month on t subject.

Raise rates, councils told

BY LORELIES OLSLAGER, LABOUR STAFF

THE NATIONAL and Local Government Officers Association yesterday opened a new publicity campaign against cuts in public spending with a call to local authorities "seriously to consider" introducing rate increases this year.

The union's leaders, who represent 600,000 white-collar staff in local government and public utilities, also threatened that they might refuse to co-operate in the next stage of incomes policy if the Government's review of public spending resulted in massive cuts leading "to the dismantling of the fabric of our services."

On the whole the union refrained from threats or militant statements, hoping to achieve its objectives by argument and influencing public opinion.

To launch its campaign, it has published a nine-page booklet "Save your Services" which says that "Government cuts in public expenditure, a deficient Rate Support Grant and the threats to cut even more mean that a crisis of enormous social dimensions is looming."

Mr. Geoffrey Drain, the union's general secretary, said the pamphlet would now be distributed to MPs, local authorities and other people involved in the debate.

The aims of the campaign are both short-term (to prevent as far as possible the standstill on local authority spending this year desired by the Government) and long-term (to influence public expenditure in the years to come).

Mr. Drain made it clear that the union had agreed, reluctantly, to the cut in Government's rate support gr but said that, in those where local authorities still a freedom of choice, they sh "very seriously" consider increases to avoid massiv dundancies and cuts in s services.

In its longer-term camp the union is stressing points: that at a time of rece cutbacks in public expend could only aggravate unem ment; that such cuts would "disastrous effects" on the so services and, therefore, the so wage, which to some extent w a compensation for restraint the pay front; and that publi spending, far from taking resources away from industrial investment, was a necessary corollary for the development of a viable industrial base.

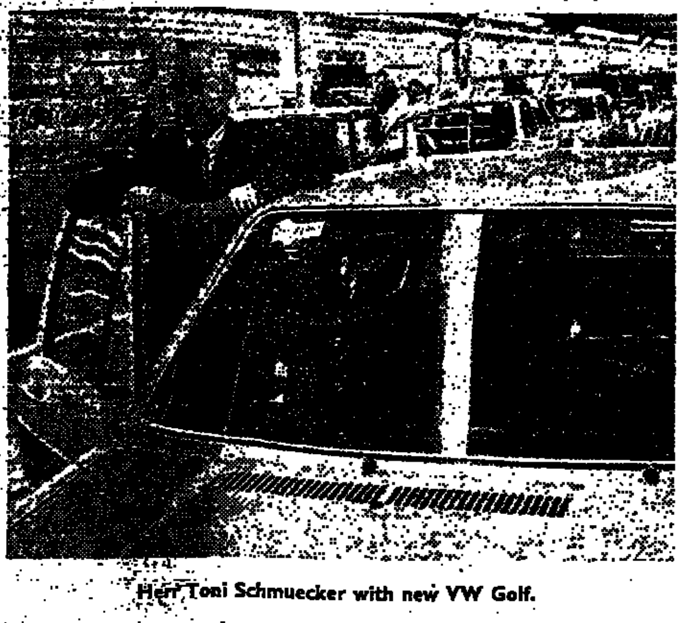
The Executive's World

Volkswagen expects a profits recovery this year. **Terry Dodsworth** describes

The post-Beetle age of VW

.EVEN MONTHS ago, Herr ni Schmuecker became chairm of the management Board Volkswagen at a time of unralleled crisis. After three cades of virtually uninterpted growth the company had ddenly plunged into a masse £140m. loss, the conseence of an expensive crash del development programme ring a period of dramatically ling markets. Borrowings d risen alarmingly, bitter guments were going on tween the management and rkers, and morale had ebbed ay.

The situation has been transmed since then. This year e company is all set to return profit—a modest one, cording to Herr Schmuecker, t "a figure that will impress mpared to where we came m." The new model range almost all on stream and winng acceptance, with the Golf ll-established as one of the nt runners in the new generon of European cars. A ugh, redundancy programme s been pushed through, stocks duced and borrowings cut ck to normal again.



Herr Toni Schmuecker with new VW Golf.

Strength

Despite underlying financial ength from profits salted ay in the Beetle era, there little question that VW's mediate problems were ute a year ago. Short term rrowings had risen to M.3.6bn. (£682m.) from M.2.8bn. (£530m.) a year fore and DM.1.9bn. (£360m.) ile in 1972, long term debt d nearly doubled in a year DM.1.7bn. (£322m.). Accordg to Herr Schmuecker, the mpany's liquidity had deterioted to a point where it was r danger of strangling itself liquidity problems" having ached the "upper limit" of its rrowing facility.

At the same time, VW was ing £200 on every car it sold America, a market which had en at the root of the group's lden era of success in the 60s. Stocks of unsold cars re far too high (which partly counted for its high borrowgs), and it seemed that the rld market held out little pe of a pick up in sales. In lition, the company which had de itself a by-word for proction efficiency had become ermanned.

There was one bright spot in is picture of gloom. Against the odds, Herr Schmuecker's edecessor Herr Rudolph Leidg had bulldozed through a mplete new model range to ke over from the ageing eetle. In the space of three years he had forced through almost all the design and development of the new cars, switched the giant Wolfsburg plant over to four model ranges instead of the Beetle, and installed masses of new automated production equipment, all at a time when the world car-market was going through one of its most serious depressions.

Nothing had ever been seen like this before, when Henry Ford abandoned the Model T—the only comparable vehicle to the Beetle—he shut the plant for a year, lost market leadership and never regained it. At the end of its metamorphosis VW has emerged with a competitive range of cars, to a design which gives a high degree of interchangeability between parts, panels and engines.

This underlying strength in its model range allowed Herr Schmuecker to concentrate on one major issue in his first months at VW—how to get the workforce down by about 25,000, to an appropriate level. Inevitably the redundancy plan led to bitter conflict and argument. But Herr Schmuecker stuck to his guns and success in this area, he insists, accounts for at least half of the turnaround. His strategy was to accept the high fixed cost penalty inherent in working below capacity—VW to-day is operating at about 68 per cent. of its installed capacity—but at the same time to push back the rising labour costs to the minimum.

At the same time, the reduction of the workforce and output in certain key areas (production is down by 10 per cent. at VW proper, up slightly at Audi), has allowed VW to tackle its overstocking problem. Profits have deliberately been given priority over both production volume and market share as VW has switched into a phase of building little for stock and accepting the embarrassment of supply shortages if necessary.

Although this has inevitably led to some supply problems as stocks have run down and some markets unexpectedly picked up, by bringing stocks into the right proportion VW appears to have mastered its other main problem of high borrowings and low liquidity.

The most striking feature of VW's turnaround is that it has been achieved with few visible management changes. Herr Schmuecker is a remorseless taskmaster working 16 hours a day and expecting equal dedication from his management team. But there has been no influx of outsiders. "I believe that by the law of averages there must be enough capable people in a workforce of 200,000 people." And, change has apparently come by a process of gradually tightening management and financial control in central parts of the company rather than any dramatic bloodletting.

In the design department, for instance, much more stringent cost analysis is being applied than in the days when only the best was good enough for the Beetle, and somewhat stricter budgeting devices have been imposed throughout the company.

The new model programme is already mapped out and costed with these objects in mind until the end of the decade. Barring the most unforeseen circumstances, there will be no repetition of the crash DM2.5bn. (£475m.) investment programme which saw the new range of cars onto the road. That was necessary and brilliantly executed, says Herr Schmuecker but was far too expensive to be repeated.

He also argues that there is no reason why VW should not move to a more measured pattern of model introductions, despite the argument of many competitors that, because of the sudden introduction of the new range, VW will be faced with the awkward problem of financing replacements all at the same time. The new measures on cost control have been designed to give a careful allocation of funds for research and development over the next few years and give VW a more traditional method of model introduction.

On the model side, one of the main immediate objectives will be to give more differentiation to the Audi marque as the group's up-market product. The new large Audi, due sometime this year, for example, will not have a Volkswagen version—unlike, for example the Audi 50 (the VW Polo) or the Audi 80 (the Passat).

Other questions which remain on the drawing Board for VW are diversification and co-operative manufacturing ventures. On diversification, Herr Schmuecker is notably cool. VW's future will be decided by its ability to make motor cars, he says, although there are "vague" discussions going on with MAN, the West German truck manufacturer, about some form of link between them.

On co-operative manufacturing of components he is much more positive. This, he argues, is the way forward for the European industry rather than more mergers, and VW is having discussions with other companies on such joint ventures.

The main problem confronting Herr Schmuecker this year, however, concerns the question of whether or not VW should build an overseas assembly plant in the U.S.

The decision could produce as traumatic a reaction as last year's redundancy programme, for if VW decides to invest in America it will be argued that this could lead to a considerable export of jobs. The company will be aiming for a factory capacity of 200,000 vehicles a year, as against sales of 275,000 in the U.S. last year. On the other hand, if it does not invest in the U.S. soon, its high European costs may force it to lose more of the market to competitors.

The battle in America, where the Japanese car manufacturers are in the ascendant, will be won or lost on the grounds of quality and there is no doubting VW's present commitment to improving its products after a spell when standards dropped during the introduction of the new range. This is now one of the main shop floor issues, with the introduction of system of quality audits in which models are taken off the production line during each shift, the faults identified, and individual workers shown where they have gone wrong.

Herr Schmuecker's concern with quality, and the emphasis he places upon the workers' individual responsibility, is characteristic of his approach to management. Communications is one of the few subjects that patently excite him, and it is recognised throughout the company that he has made a tangible effort to explain and discuss his policies with the workforce.

Once every two months he meets a select group from the 750-strong "leading employees" organisation of top supervisors, and it has now become an established tradition that he addresses the statutory mass meeting of workers every quarter. He personally explained the decision to sack 25,000 workers at one of these mass meetings and was applauded at the end.

Reputation

Despite the clear talent this shows for leadership, Herr Schmuecker, 54, is not at all flamboyant and has a prickly reputation with photographers or reporters who try to pry into his private life. Behind his attitude is a genuine distaste for demagoguery. But he is also determined, at a company policy level, to avoid the aura that built up around his office during the reign of the legendary autocrat, Herr Heinrich Nordhoff, the man who took the Beetle to its pre-eminence and refused to countenance most other model developments.

"To a certain extent the problems of this company were and still are psychological. It is hard to create the necessary awareness of people to the fact that we are no longer the best and that we know all the answers," says Herr Schmuecker. The way to produce the right kind of attitudes, he believes, is by bringing more people close to the important decisions. "The last thing that should happen here is that we should have another Emperor. You can't have communication when you have a King who behaves like a King."

Heineken's 'locals'

BY KENNETH GOODING

HEINEKEN, ONE of Europe's half-dozen largest brewing businesses, has rapidly increased its international influence over the past five years by switching the emphasis away from direct export to the local production of beer in countries outside its native Holland.

The change in policy has opened up markets apparently tightly closed against Heineken, markets like the U.K., Norway and Italy for example.

Italy and Norway were opened up by 1975 as were St. Lucia and Indonesia and this year Heineken expects to spread its interests into Ecuador and Tahiti and increase its presence in Greece.

The method the Dutch group has chosen to build up its international business highlights some of the problems facing any major U.K. group wishing to do the same kind of thing.

Heineken has two approaches when launching into the local production of beer outside Holland—often they run hand in hand. It can license a local brewer to produce, under Dutch supervision, the Heineken brand of lager. Or it can acquire a shareholding in a local brewing group and handle both Heineken and other brands through the company it has taken over.

Mr. A. H. Heineken, the brewery's chairman

Example

The U.K. provides a fine example of the first approach. Heineken's exports to the U.K. were minimal. Then it tied up with Whitbread, third largest of the British brewers, and Whitbread, with its 8,600 pubs and off-licences and its extensive "free" trade operations, has built the brand swiftly to the point where it has around 15 per cent. of the U.K. lager market and sales must be running at roughly 1m. bulk barrels (or 528m. pints) a year. At the same time the British taste for lager is still growing at a considerable rate—it is the fastest-growing sector of the total beer market—and by the end of the 1970s lager should account for up to 30 per cent. of all beer sales. Heineken should retain a good share of this larger lager market.

It is this particular approach to increasing international business which is not readily available to the U.K. brewers. For the British style of beer finds very little popularity outside of the U.K. itself whereas lager-type beer, brewed in a different way, is immediately acceptable the world over.

Because there is no market for British ale outside the U.K. there is very little the brewers here can do about arranging franchise operations overseas. To be sure Guinness has had some success with its product, which is not really a "typical" British beer, and is rapidly building on that success. Allied Breweries, which disputes top place among the U.K. brewers with Bass Charrington, has set up an international franchise operation but had to invent a new *lager*, called Skol, to work with.

So, while Bass, Whitbread, Watney and Courage all have their overseas interests, on the beer side these mainly concentrate on the production of local beers for local markets.

Heineken has also taken this route. Only last week it added to its already majority stake in Albra, a French group which was the unhappy amalgamation of four brewing companies. (It is not just in Britain that mergers do not always achieve what was expected of them.) Heineken took over Albra, it now has a 95 per cent. shareholding, and is now rebuilding Albra's "Mützig" brand in its home market. Albra has also taken over the French marketing of the Heineken brand.

In Italy, Heineken and Whitbread acquired 42 per cent. each of another moribund brewery, Dreher, and have begun to give it the "kiss of life" treatment. The takeover of a company means that Heineken need not restrict its ambitions to beer alone. The plans for Dreher, for instance, include the introduction of some of the spirits in the Long John International portfolio—Long John being a recent Whitbread acquisition. Heineken has its own spirits, wine and soft drinks interests which it would like to see better known outside the Netherlands.

Its beer is already available in 160 markets outside Holland and is produced under Heineken's control at 55 breweries, four in Holland. To be able to work this system properly, Heineken had to build up a technical services division which had the manpower and ability to command the respect of rival brewers round the world. For the "control" exercised is technical, not financial. It is Heineken's way of making sure that the quality of the Heineken brand remains the same wherever in the world it is produced.

So Heineken's technical services division has developed even the capacity to take on "turnkey" engineering schemes and is selling this service to brewers round the world. It is, for example, supervising the building of two breweries in Portugal at the moment. But its major achievement so far has been the successful designing, building and commissioning of Heineken's own giant brewery at Zoeterwoude. That cost Frs.200m. (£37m) and has a capacity of 7.5m. hectolitres which could inexpensively be lifted considerably.

Heineken only recently reorganised its management structure once again because it has been so disappointed with the lack of progress towards harmonisation among the Common Market brewing industries. An ardent campaigner for harmonisation, Heineken some years ago created a "European" division which included its home market. Now it has switched back to a structure where all other EEC countries are treated as "international" territories.

This is because it feels that agreement on the harmonisation of such things as duties and laws and the removal of tariff barriers is so very far ahead where the brewing industry is concerned.

Division

So now all the Netherlands' operations—beer, wines, spirits and soft drinks—have been placed for management purposes into a separate division. The other European countries are part of a new "international" division.

"The problems of managing our interests in the EEC countries apart from Holland are much more similar to those for territories outside Europe than the problems we meet in the Netherlands," says Mr. J. van der Werf, managing director and chairman, European division.

He maintains that the European brewers have more or less stopped seriously discussing harmonisation problems, so great is the gulf between the main brewing countries.

Dow's women have chance to step up in the world

AST THURSDAY evening nita Maag faced an all-male idience of members of the ritish Institute of Management tell them in particular of the tter deal that women are ing given in Dow Chemical, e U.S. multi-national chemicals group, and to in general spread the gospel that women should be afforded greater chances of progression within companies.

She apparently got a mixed reception — the "male chauvinist" is still very much in evidence. But what was interesting about the event was, firstly, that it was the first talk given by Dow outside the company on its "Women's equal job opportunity programme." Secondly, it more or less coincided — inadvertently, but fortuitously — with the arrival at a phase of the programme which requires the company to look increasingly outside its own confines for women staff at management level.

Ms. Maag has masterminded the programme in Europe since its inception four years ago—she has a counterpart in the U.S., Mary Lou Dennison. The plan originated from Mr. C. Benson Branch, who took over as Dow chairman five years ago. Prior to his initiative women in Dow had been barred from virtually everything except secretarial and very junior administrative positions.

The programme forms part of a wide policy of improving human relations — something Dow feels it has succeeded in doing for close on 80 years—but, as Ms. Maag admits, it is also that "to be completely blunt about it, Dow believes that it is just good business to make the best use of all human potential."

At the outset of the programme in 1972 there were, in Europe, just 47 women holding professional level jobs in Europe—or 3 per cent. of total professional employees. To-day, there are 156 women out of a total 1,800 jobs—representing 8½ per cent. Including the Dow Lepetit subsidiary in Europe improves the ratio still further.

Adamant

Ms. Maag — who remains attached to Dow's personnel division while carrying through the programme—is adamant that the programme merely gives women equal opportunity with men if they want to take it. No concessions are made just because of who they are—a factor which sometimes has to be pointed out to certain women when they seek some opportunity not afforded to men. Then, there are usual barriers to contend with like male prejudices and, equally, prejudices of women against working for other women.

Ms. Maag spreads the word by direct communication with groups of women and by talking to personnel directors and general managers (equivalent to local managing directors) in European countries within which Dow operates, such as Germany, Holland, France, U.K., Belgium, Italy, Spain, Sweden, Norway and Switzerland. A continuous monitoring operation takes place to see, for example, how far women have progressed in catching up on male salary levels.

The kind of progress made is revealed in following statistics: seven female medical doctors and 23 women selling pharmaceutical products in the field; 16 women in Dow Lepetit in positions such as plant foremen (or forewomen?), production managers, quality control engineers; 21 positions in accounting; 16 women in employee relations (representing 17 per cent. of total professional level employees here): 69 in medical and research positions and 97 in sales.

Ms. Maag has found that, as expected, equal opportunities for women are taken for granted in Eastern Europe and Sweden, while Latin countries are still hide-bound by so-called male superiority. But, surprisingly, "Spain has registered an outstanding performance," she says, with the same holding true for Greece.

Dow's aim is to improve the ratio of professional men and women. But, clearly, the result of the programme to date in terms of existing staff must be satisfactory since Ms. Maag comments that "as for promotions within, we may have already reached an optimum level. Further promotions would polish up our statistics, but we must also seriously consider the professionalism or our organisation."

Thus, the company sees as an essential next step the hiring of qualified female graduates "in significant numbers to provide our core for future promotional opportunities. We fully realise that we cannot make real progress by concentrating only on the promotion of members of our current female staff. In many, if not all cases, their qualifications will ultimately limit their progress—and ours as a company."

Meanwhile, Ms. Maag must feel satisfied in the knowledge that the success of the programme in percentage terms — if not in absolute numbers — has been greater so far in Europe than in the U.S.

NICHOLAS LESLIE

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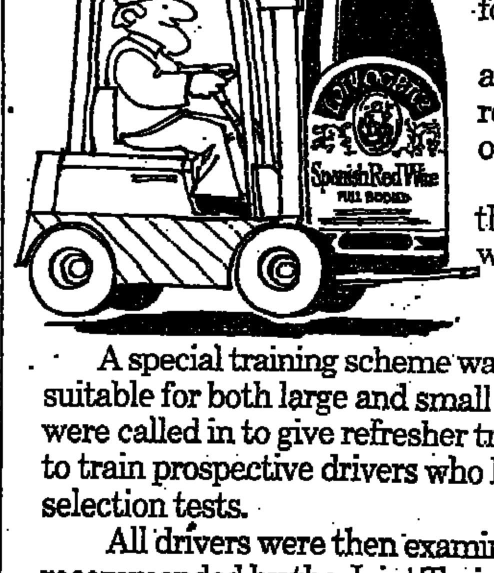
How to weather it.



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TUESDAY, JANUARY 13, 1976

The deadline for Ulster

IT IS UNWISE ever to be optimistic about Northern Ireland, yet the killings in the first few days of this year do at least seem to have had the effect of concentrating the mind on how bad the situation has become. There has already been a strengthening of security measures and yesterday Mr. Merlyn Rees, the Northern Ireland Secretary, announced new political measures, including the reconvening of the Ulster Convention, to the House of Commons.

Convention

The security measures themselves should not be underestimated. They are not confined to the rather spectacular despatch of members of the SAS to South Armagh. As Mr. Wilson said in his statement before yesterday's debate, border surveillance in general is being stepped up and there is now close co-operation between the Royal Ulster Constabulary and the Irish police. Charged by Mr. Heath that the security forces were still too small, Mr. Wilson seemed to mean it when he replied: "Whatever forces are needed to make a success of this operation will be made available."

Strengthened security measures were necessary in any case, but it is clear that Westminster is seeking to capitalise on the revulsion against the killings by showing that it means business. If it can reduce the violence by the extremists of both sides, then there may be a better chance of moving towards a political solution. As of now—and it is admittedly very early to judge—this point seems to be being taken. It was very noticeable, for example, that Mr. Gerry Fitt, the leader of the SDLP, yesterday took a much more temperate line towards the SAS. Last week he had compared it to the American Central Intelligence Agency, yesterday he simply sought assurances that the SAS troops would be under strict military discipline and the same instructions as any other regiment.

Security apart, the other arm of the Westminster policy is to give one more chance to the Ulster Convention. The time limit announced by Mr. Rees is even shorter than had been generally expected. There will be a White Paper on what the Convention might do some time before the end of the month. The Convention will then meet on February 3, but will have only four weeks in which to seek to reach an agreement, though obviously a brief extension would be granted if agreement were in sight.

Mr. Rees has made some concessions along the way—the dropping of the idea of the Council of Ireland, for example, and the use of the words "participation" and "partnership" instead of "power sharing." But it is also clear that by setting such a tight deadline he is again seeking to take advantage of the revulsion against the latest killings. What he is saying in effect is that here is the last chance for some considerable time for the Ulster parties to show that they can work together. If they cannot, the alternative is direct rule. Anyone who doubts that should look again at the opening part of his speech where he warned that there could be no British withdrawal.

Consensus

Of course, the extremists of either side or both can wreck the plan. But it should be plain that the result of this would be only the end of another experiment and the beginning of a new and probably long chapter of control from Westminster. Possibly, given the failure of the Ulster parties to agree in the past, this is the inevitable outcome. Yet it is important that the experiment should be made, if only to place the onus for breakdown firmly where it belongs—on the Ulster politicians who cannot in any circumstances get together. Neither Westminster nor the people of the rest of the U.K. like the idea, but there is still a consensus that direct rule is preferable to withdrawal.

Higher prices in the pipeline

THE REVISED ESTIMATE of retail sales in November, half a point down on the provisional estimate, shows that the volume of spending was steady in the autumn at a level slightly higher than in the depressed period which followed the pre- and post-Budget spree. But the October-November average was no less than 5½ per cent. lower than during the fourth quarter of 1974 and the first quarter of 1975. Retail sales are only a part of consumer expenditure, but on this occasion they are an accurate guide to the more general trend. The national income figures for the third quarter confirm the impression given by figures already published, that gross personal income has been rising more slowly than prices and disposable income after tax more slowly still. It is the combination of wage restraint and rising prices which has depressed consumer spending.

Rising costs

At the moment, in fact, competition for a lower volume of business is itself helping to keep the inflation of consumer prices to a minimum, and even those (like ourselves) who hold that the restrictions of the Price Code on profit margins should be relaxed believe that the first impact of such a relaxation would be largely psychological. But even intense competition cannot prevent prices from rising when costs of labour and raw materials are rising fast. So far as labour costs are concerned—and they are the more important factor in getting inflation under control—the large increases negotiated before last August are still having some effect and the full benefit of voluntary restraint has yet to come through.

So far as materials are concerned, the outlook is difficult to forecast. Periods of particularly sharp cost increases during the past 12 months have been caused by higher oil prices or a weak exchange rate—indeed, by both together. The additional risk in 1976 is that some commodity prices will begin to move up again with the business cycle. Higher costs of this sort would be absorbed with the greatest difficulty by industries and economies working below full capacity, and it seems to be generally accepted that the U.K. economy will recover later than those of its main competitors. Ideally, such a worsening in the terms of trade would be offset by a higher volume of exports: in practice, the offset might well be only partial.

Trend-spotting

The latest wholesale price figures, even if they can throw no light on this particular area, do have implications for the future. The indices of wholesale output prices give a good idea of the way in which retail prices will be moving during the next few months: the indices of input prices look even further forward while also giving some advance indication of import costs. Output prices rose faster in December than in the previous month, but wholly because of sharp rises in the price of petroleum products; the annual rate of inflation in the fourth quarter was 14 per cent. and, so far as non-food industries are concerned, fell quarter by quarter throughout the year.

The index of input prices rose by only 1 per cent. in December, but this overall figure conceals the divergent experience of the food-processing and other manufacturing industries. The fuel and material costs of the former have risen by over 20 per cent. in the past 12 months while those of the latter have risen by under 14 per cent., but there are now faint signs of a possible shift in the other direction. While higher prices for home-produced food materials (which look like continuing to rise) were partly offset in December by lower prices for imported cereals, a wide range of imported raw material costs for other industries were higher—crude oil most notably, because of a further drop in the sterling-dollar exchange rate. This is the trend which will have to be watched most carefully in the months ahead.

The four-day Commons debate on devolution, which opens to-day, follows a weekend of urgent political manoeuvring north of the Border, where a break-away Scottish Labour Party has already been established and the Conservatives, too, face internal conflicts. **Chris Baur,** in Edinburgh, discusses the precariousness of the Government's strategy.

Mr. William Ross, Secretary for Scotland, names his role in keeping Chrysler's Linwood plant open as an illustration of the value of a Scottish Cabinet representative.

Labour's Scottish gamble

AN EXTRACT from the official report of the Canadian House of Commons debates, vol. 119, No. 218, December 4, 1975; Oral Questions:—

"Hon. J. A. Maclean (Malpeque): . . . I would like to ask the Prime Minister a rather good-natured question. In the light of the apparent imminent independence of Scotland, is it the intention of the Prime Minister to appoint the Secretary of State for External Affairs as (our) first ambassador to Scotland?

Some Hon. Members: Hear, Hear

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think there are many people on this side of the House who would be prepared to volunteer for such a job. We are not suggesting that is the direction events will take. If they do, we have contingency plans, including my wife who is a Scottish Nationalist."

Distance clearly lends enchantment to some of the most vexatious issues. This week's debate at Westminster about Scotland's political conundrum is unlikely to be such an indulgent affair as last month's good-humoured little exchange in the Canadian House of Commons. At the start of the so-called "great debate" on devolution, the room for such banter has been severely restricted by the extreme precariousness of the strategy on which the Government has now embarked north of the Border.

Opposing pressures

In building its devolution package for Scotland, the Government has had to try to reconcile two opposing pressures. It has had to determine first what would be the minimum collection of assembly powers likely to capture a consensus in Scotland and so stop the disruptive growth of the Scottish Nationalists. Second, it has had to decide what would be the maximum degree of autonomy which an unsure and sceptical House of Commons would allow to be transferred to *a subsidiary parliament sitting* in Edinburgh.

The first of these pressures has become intensely difficult to judge because of the ambiguity of Scottish public opinion. The indicators since the White Paper was published have been almost universally discouraging for the Government. Two regional government by-elections at Bo'ness and Bishopbriggs were won by the Scottish National Party on gigantic swings. The opinion pollsters have also been at work. Their early December sample confirmed a dramatic surge of support for the SNP, putting the Nationalists seven points ahead of Labour for the first time on a top-rating of 37 per cent. At that level the SNP would be teetering on the very edge of a landslide towards a majority of Scotland's 71 seats at a general election.

Impact of the campaign

This tide could abate. One cannot tell what the impact of the Labour Party's pro-White Paper campaign is going to be between now and March, nor, in the longer term, what discipline will be imposed on eroding party allegiances by the increasingly-stark choice, "devolution or separation," that is bound to be portrayed by both Labour and Conservative organisations.

In the immediate aftermath of the White Paper, however, it seems clear that the singular achievement of the Government's proposals has been to polarise Scottish opinion, with a tendency to drive voters gradually towards the "maximilist" stance: 47 per cent. now want anything from the status quo to the "minimalist" solution now offered, compared with 64 per cent. in May last year, while 49 per cent. want anything from federation to complete independence, compared with 33 per cent. last May.

This process has undoubtedly been aided by the howls of protest which seemed to greet the devolution proposals from almost all quarters except the Labour Party establishment as soon as they were published. In the weeks since then four main areas of dissent have emerged *in Scotland.*

The first of these concerns the timetable for implementation. The lengthened two-sessions procedure announced by the Government shortly before the White Paper was published will mean producing a Devolution Bill some time this spring, and re-introducing it in *the autumn at the beginning of* the 1976-77 session. The Government appears to accept that this virtually rules out the possibility of having an assembly working before 1978.

Labour Party managers in Scotland are convinced that it was this announcement, not the White Paper's contents, which did most to damage the credibility of the policy and cultivate Scottish hostility.

The second area of contention concerns the proposed "veto" powers, exercised for Westminster by the Secretary of State for Scotland. The two questions here are: (a) is it permissible for a political figure to assume the mantle of a "governor general" in determining whether the assembly is legislating within or beyond its devolved remit, and (b) should Westminster, in addition to its powers to deal with such situations, have additional ability to stop assembly legislation which is considered to be unacceptable on general policy grounds.

The final two points of friction are generating even more heat. They concern the fiscal and economic autonomy of the assembly. The Government proposes to give the assembly a limited tax-raising ability, but has chosen one of the most unpopular tax mechanisms to accomplish this—a surcharge on local rates. In casting around for alternatives, it has apparently rejected the notion that the assembly might benefit either from a fixed proportion or a locally-negotiated share of the new fiscal resources represented by North Sea Oil. It probably sounds too nationalist.

Yet a precedent for such autonomy already exists in the Shetland Islands, where the local council has been allowed to negotiate an attractive "allowance" with oil companies based on the flow of crude through pipelines to the islands. It will be worth a minimum of some 20 per cent. of the islands' present revenue account, and *could in time exceed that figure.*

Fiscal discretion of this kind for the assembly may become important in the context of the haggling over global resources available from Westminster to a Scottish executive. The White Paper estimates that if an Assembly was working now, it would have a block grant of *some £1.3bn. and a borrowing* power of some £500m. This together with the £300m. of local authority taxation, represents about three-fifths of public expenditure in Scotland.

The assembly will have a theoretical power to allocate much of these resources as it sees fit—more on housing, say, and less on roads. In practice, however, the actual opportunity for substantially varying individual areas of spending may well be very restricted. Each component of the block grant will probably have to be negotiated with Whitehall according to differing interpretations of "Scottish need," so that the Treasury will be liable to continue exerting a powerful influence on the management of Scottish public expenditure.

Manpower and training

The White Paper's final potential weakness is that it allocates no responsibilities in the economic and industrial development fields to the assembly—despite the broadest pre-election hints that this would be done. Substantial responsibilities for the conduct of regional policy, for the investment functions of the Scottish Development Agency and the Highland Development Board, and for the administration of manpower and training policies in Scotland have been transferred instead to the Secretary of State for Scotland.

In compensation for his loss to the assembly of almost all the "domestic affairs" functions of the Scottish Office, his post has been recreated as essentially that of Scotland's economics minister. The Government has concluded that these powers must be exercised by a U.K. Cabinet minister in order to underwrite what it calls the "economic unity of the U.K."

It is on the matter of industrial and economic policy management in Scotland that the devolution debate reaches its most painful crossroads. The present Secretary of State for Scotland, Mr. William Ross, has referred to his role in solving the Chrysler crisis as an illustration of the value of having a Scottish Cabinet representative mandated to attend to Scottish interests, *in this case the maintenance* of the Linwood car plant. But his assertion that no solution to the Chrysler business would have been possible if the assembly had had economic functions is one that now requires to be substantiated, if Scottish opinion is to be swung.

In these four areas of debate, Labour has the most to lose by miscalculating the mood of the Scottish electorate. As the party in Scotland heads for its annual conference in March, two distinct camps have formed within it. The first is led by the General and Municipal Workers' Union, which might be joined by the Engineers. It includes the great majority of Scottish Labour MPs, and believes that the White Paper provides quite sufficient ammunition to start a counter-attack on the SNP.

The second is led by the Transport Workers and the Miners, and currently forms the majority on the general council of the Scottish TUC. It regards the proposals as inadequate and is demanding the transfer of economic and industrial powers, including responsibility for the Scottish Development Agency, to the assembly—a move which would effectively abolish the post of Secretary of State for Scotland.

This second group appears to be swimming with the tide of public opinion, but it is by no means certain that it will win its point at this year's conference (it failed narrowly last year). In any case, the key question is whether the proposals would be altered as the legislation is drafted and debated, even if the Scottish Labour movement did turn out to be adamant in seeking such radical amendments.

Some Scottish Labour MPs seem to believe that there is a good deal of scope for beefing-up the assembly's powers. There is already talk of transferring the industrial functions of the SDA to the assembly, and certainly of defining more tightly and acceptably in the Bill the precise "veto" powers Westminster would retain. there are two difficulties this.

The first is a tactical one likelihood that, having mitted itself to a "minima White Paper, any improvem later brought forward by Government would be cre to the Nationalists' accour many electors. The seco more fundamental—difficul that no real strengthening really be possible, given present mood of the F of Commons.

Independent party

The Conservatives' devot devolution is waning, an message from the Parliame Labour Party seems to be English MPs' support fo measure would vanish like if additional powers ove ations and the local ecc were conceded. Indeed, the conviction that litt nothing can now be done inside the Labour Party prove the White Paper th recently led a small, maverick, group of Labou vists to form their own " away" independent S Labour party.

At the back of all this uncertainty about wheth how the devolution tactics be made to fit into the G ment's general election st assuming it remains mas that strategy. Probably th compelling reason for sp out the devolution debate there is now pressure to it further with a referend the Government's unwilli to contemplate assembly tions this side of a genera tion.

Ideally the Government probably like to comple legislation and then ca paigning in Scotland, da the carrot of an imr assembly as the best inc for returning a Labour G ment. Or it might wi subdue the Scottish dim which would be ascendant isolated assembly electi holding the assembly poll same time as the next g election, if that neat come could be engineered. way, it is a frightful g

MEN AND MATTERS

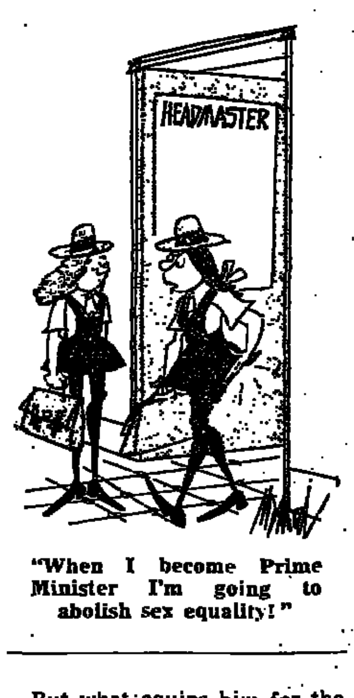
Brewing's elders for MEPC and Thos. Cook

Sir Gerald "Joe" Thorley of Allied Breweries—set to take charge, at least temporarily, of the troubled MEPC property group—*is not the only top* brewer about to start another apparently unlikely job. I gather Sir Alan Walker, at 64 on the point of retiring as Bass Charrington chairman, is due to become chairman of Thomas Cook, the travel group majority-owned by Midland Bank.

Thomas Cook has not had an easy time lately. Denationalised by auction in 1972, Cook's last disclosed annual loss was £1.6m., with most of the problems cropping up in North America. Last summer Simon Kimmins quit as managing director, having earlier gone on record as predicting £5m. of profits for this year.

Kimmins was replaced by Tom Fisher, reckoned to have the sort of tough command of the current Cook situation that Walker has had at Bass. Walker only went on the Cook Board in November, just a couple of weeks after becoming a Midland bank director.

He has been involved with the Bass group and its predecessors since 1956 when he was called in by the families who owned Midlands-based Mitchells and Butlers to sort out problems there. Bass, with 9,200 pubs, is Britain's biggest brewer, but Allied ranks as the biggest drinks business. Thorley, now 62, was chairman and chief executive at Allied from 1970 until last September, his appointment originally being seen as a diplomatic choice to preserve unity on the Allied Board following the abortive plan to merge with Unilever.



"When I become Prime Minister I'm going to abolish sex equality!"

But what equips him for the chairmanship and, "for the time being," the managing directorship at MEPC? Well, for a start, he and Sir Henry Johnson, MEPC's present chairman, have been friends since Johnson was an up-and-coming British Rail man in East Anglia, Thorley's home territory (his jobs include being chairman of Norfolk-based British Sugar Corporation).

MEPC as a company got to know Thorley, who did train as a chartered surveyor, in 1973 when it paid just under £6m. for Allied's disused Friary Meux brewery in the centre of Guildford. It was to be the site for a new shopping centre (the rambling building required the sort of demolition that TV cameras turned out for), but has remained one of MEPC's undeveloped sites, local conservationists having created a fuss at the published plans. So did Thorley drive a hard bargain? "It was," declared an MEPC spokesman yesterday, "a fair deal at the time."

Masses of half asses . . .

Switzerland, that bastion of neutrality, is not the country one would normally associate with involvement in major armaments deals. It is on the cards, however, that it may supply between 1,000 and 2,000 items of strategic military importance to Ghana over the next few years.

The items involved are mules, and representatives of the Ghanaian defence ministry have approached Raymond Gentinetta (the leading Swiss mule breeder) with an inquiry as to whether it would be possible to import into Ghana up to 2,000 Swiss-bred mules to replace the buffaloes which are currently used for carting around Ghana's howitzers. If the deal goes through it will be a tremendous stimulus to the Swiss mule-breeding industry: the latest available figures—the 1973 mule and ass census—showed a total population of just 434 in the two categories combined.

The Swiss defence ministry says there are no objections to the deal going through on grounds of endangering Swiss neutrality, and no special arms export licence is needed because, according to a spokesman, "Mules are not military material within the meaning of the law."

Paradoxically, however, there is still a potential military hang-up: most mules bred in Switzerland are liable for national service with the Swiss army. Gentinetta, therefore, will only be able to clinch the contract with Ghana providing that the export of his mules—a cross between Jura mares and Italian asses—does not jeopardise the Swiss strategic reserve.

. . . Unshaggy dog story

Do you ever get evenings like this? It started when an early quiet drink in my local was abruptly terminated as my friendly labrador (6st of muscle and bone) spotted a potential chum at the other end of the bar and took off, with me still holding the lead. Result: 3½ feet of bar stool and 6 feet of Observer measured their length on the floor, causing multiple bruising plus much laughter and cries of "encore" from other patrons.

Later, at home, a game of fetch with the (forgiven) dog got out of hand when the rubber ball smashed a pane of glass in the front door. Result: near hysterics from the wife and a hurried patch-up job with cardboard and Sellotape. The final insult came when I stood back to admire my handiwork: to my horror the obverse side of the cardboard I had cut said boldly, in large red letters, "Bounce for Dog."

Gastric?

At least one young official at the Department of Energy has some idea of the problems which the department faces. Moving into a new flat in London she invited advice from both the Gas Board and the Electricity Board as to the best form of central heating to install. The gas man came, looked the place over, and advised her to go for electricity. The electricity man came and (you've guessed) said she should go for gas.

Observer

CHIEF EXECUTIV

PROCESS & INDUSTRIA PLANT

Aurora Holdings Limited wishes to make appointment for its newly formed and expanc division comprised of four companies and with he quarters to be based at Nottingham.

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هكذا في الأصل

ETY TO-DAY

BY JOE ROGALY

The real issue in the education debate

RS should be told each. Until they are, m of education will to disintegrate. There for debate about who ntrol the teachers: it parents, boards of local authorities, a educational council, or rtment of Education. teachers should be is certain.

ason why this is so is essed in the words of Mulley, the Secretary ation. "There is a chorus of discontent," he North of England Conference last from parents, teachers, oyers about the educa- ided in a minority of colleges and universi- r. Mulley is to be ated on his mastery of understatement.

clusion

mately he has yet to s observation to its nclusion: the removal teaching profession's the power to decide g that takes place once room door is closed. chosen, instead, to his Department's nt of Performance device that has done ery much since it was under the guidance ginald Prentice nearly ago, and whose pur- seems to be to devise persuading everyone dards are not falling. PU will, I feel sure, ate what we all feel over-publicised short- are not typical of the general," said Mr.

To judge from the Department's pussy-footing approach to anything that might upset the sensibilities of the National Union of Teachers, one can be sure that the unit will do just that. As a start the APU is better than nothing—but it is hard to see it growing into what it should be (a mechanism for raising standards) so long as the teachers resist any idea of publication of the performance of individual schools and teachers and the Department shrinks from over-riding such resistance. Yet the need to raise standards cannot be denied.

One piece of evidence is still coming at us: the shocking and continuing account of the events at the William Tyndale School, where the teachers appeared to be positively anti-education. Another is to be found in daily experience; even Mr. Mulley's political antennae led him to say, in that same speech, that: "In the North of England in particular, people have never lost sight of the importance of the three Rs. There are times, though, when we should boldly reaffirm our belief in the learning of these basic skills."

Bold reaffirmation is not enough. Teachers can laugh it off. It is true that, on paper, many schools have articles of association that give supervisory power to the board of governors. But in practice, according to the National Union of Teachers in its recent evidence to a Departmental committee of inquiry into school government, most governing bodies accept that the curriculum is properly the preserve of "those who have been professionally trained to design the curriculum and to teach." Now the NUT wants even this last shred of protection against the irresponsibility of too many of its members torn away. It has demanded that the paper control of the governors be removed.

Beatles

I am reminded of a recent visit to a comprehensive school in Munich. It looked about as forbidding as some London comprehensives: all concrete and no soul. The children seemed to be engaged in massacring one another in the corridors, just like here. One lesson I sat in on was suitably "progressive" — a Beatles record was being used to teach English. But there was a vital difference.

This was explained to me by the teacher of English, a woman who had taught German for two years at a comprehensive in North London. In Germany her curriculum was laid down for her. She has to make regular reports and to account to the headmaster for her work. She and her colleagues in the language department work closely together and keep records of class progress and pupils' progress so that anyone can stand in at short notice. She could not move to another school for a capricious reason without endangering her career. And in England? "When I arrived the headmaster told me for goodness sake to try and keep them quiet. He never said anything else in all the two years I was there."

If the first reason for taking responsibility for what is taught away from the teachers is plain to all save the most incorrigible ideologues, the second needs a little explaining. A useful working paper is the one put forward by Mr. John White, a lecturer in the Philosophy of Education, just over a week ago. Mr. White, who has been teaching at the London University Institute of Education for more than ten years, was addressing his professional colleagues.

Terry Kirk

Mr. Fred Mulley, Secretary for Education: "There is a growing chorus of discontent."

He began by acknowledging that the details of a syllabus were best left in the professional hands of the teachers. What concerned him was the general framework of the curriculum. In his view, whatever is done about this framework — including leaving it to the teachers—is a political decision.

Suppose, he said, there was a framework whereby "as in Plato or in pre-war England," the few got an intellectually oriented curriculum and the many the opposite. That would produce "a knowledgeable élite and relatively ignorant masses," he argues. "Or suppose all agreed to put every child through a common curriculum until 16: the character of society would be very different." Another contrast was between the "cafeteria" curriculum (currently very popular in schools that believe in pupil-power), or a system in which morality was the purpose of education.

Mr. White's essential point is that "teachers have no professional expertise which justifies leaving these decisions in their hands." To those who protest that it is traditional in this country to leave such matters to teachers, the answer is to be found in another paper by Mr. White, *The End of the Compulsory Curriculum.**

This describes how the Board of Education's control over the curricula in primary schools was relinquished by administrative decision in 1926. Similar control over secondary schools lasted until 1945, and control in parts of higher education remains. The argument from tradition, therefore, counts for very little.

Mr. White's argument from philosophy is more powerful, although not acceptable in an extreme form. He speaks of a curriculum that would include politics and have as one of its purposes the development of a critical understanding of democratic principles. The idea seems fine; the directions in which it could lead are dangerous.

Yet there is no need to go all the way with this argument to see its essential force. Say a courageous Secretary for Education, backed by a determined Cabinet (for supported he would have to be) decided to give an independent authority the statutory power to lay down minimum standards for attainment in reading, writing, and mathematics in primary schools. Such standards would naturally be low, and they would presumably be regarded as uncontroversial by most people—but they would almost certainly be attacked by the teachers' organisations with all the strength at their command.

Honest proponents of anything of the kind should accept from the beginning that such a decision would be, in Mr. White's terms, political. There is a fierce debate between teachers who sincerely believe that it is wrong to set standards of this kind for all children and those who believe the opposite. The educational anarchists' view is that children should not be obliged to learn what they do not express an interest in. There are political as well as educational grounds for such an approach: over-riding it by central decision would be a political act. The fact that it would also be just about the most popular policy that any government of any party could carry out would not change this.

Details

I have no difficulty in propounding such a policy, but I do have doubts about a central Board for all curricula for all ages from six to 16, even though it is acknowledged that such a Board need not interfere in details (as the French do) but would probably restrict itself to the traditional British approach of saying: "This much reading, this much maths., this much history, at least one foreign language," and so on.

But this stage of the argument is too far ahead of one's hopes. It is possible to discern a few small indications that the public debate might be shifted this year from the sterile quarrel about comprehensives to what really matters: the content of education. It is a faint chance. The Labour Party is still flogging the stone-dead horse of comprehensivisation (which is all very well, but let's get on to a useful discussion) while the Conservatives have yet to commit themselves to reform of the curricula in any serious way.

Natural right

Plenty of people can be found in both major political parties willing to agree in private that some policy of the kind is essential. What is difficult is to find those who will make a proper public commitment (apart from the Rhodes Boyson brigade). The sad result is that industry is suffering from an under-educated workforce, while many working-class children are being given the added disadvantage of a non-education on top of all their other burdens.

It is indeed this that leads to the third, and for me clinching, argument in favour of at least a minimal central control over curricula. It should be a natural right of all children to receive from the parental generation the information and training they will need when they grow up. As my colleague Michael Dixon has argued, this right is now being denied to many British children. Only decisive Government action can guarantee that it is restored to all of them.

* *in: The Curriculum. The Doris Lee Lectures, 1975; University of London Institute of Education: £1.75.*

Letters to the Editor

onal rate eflation

fessor D. Myddelton.

e FT-Actuaries 500 ex is now about 25 per w its "high" of August ice then the value of s fallen by about 40 How should an inves- invested £1,000 in August 1972, and sold rday for £850, account- ition? ional accounting would s made a loss of £150. purchasing power would say his ivestment of £1,000 (in 372 pounds) is equi- about £1,667 (in Janu- pounds): so he has "real" loss of about anuary 1976 pounds).

ould Sandilands say? Index were acceptable dex of the investor's rate of deflation" period, he would be making a *profit* of £100 original investment of uld have a "replace- " of only £750).

est that conventional g would be seriously g, since it ignores cur- asement; and that CPP would provide a approximation of nd Sandilands? Utter

ddelton. School of Management.

lilands rt

Managing Director, ndon Building Society.

read with interest Mr. article of January 9. ike to make two com- d offer a suggestion. comment relates to the table in the centre icle. Where banks are surely the adjustment ought about by taking plus creditors less overdrafts) and cash. ming that Mr. Harris at a figure of minus is basis.

ation is made of fixed Manufacturing com- monetary institutions cases own properties shown in the balance various values. Clearly tment in value to take f inflation could not be regarded as dis- profit although there deferred tax liability ains).

rds building societies, stments particularly in assets become more ill because the current the mortgage asset debt must be governed te of interest charged mortgage. The City of Building Society, with ge rate geared to the ield on 3½ per cent. k, must have more mortgage assets than building society that is current rate formula rate of interest is d by the Board. At the vel generally of 11 per slightly more, must er building societies' assets much less and it is probably whether any adjust- ally called for because of interest is much n the rate of inflation een for years.

ggestion is that for institutions any adjust- e should be by way of not incorporated into and loss accounts and beets. I would regard ealthy that building societies should temper any boasting on growth by taking some account of the effects of inflation on the real value of their liabilities and assets.

A. G. C. Trollope,
34, London Wall, E.C.2.

Inflation accounting

From Mr. D. G. A. Owen.

Sir,—There are three particular points relating to inflation accounting which concern me.

The gain which companies are alleged to make simply by holding stocks and valuing them at cost. On the basis that a company's stockholding is not excessive and is not obsolete—in which case the valuation is dealt with on different criteria—it seems to me that insufficient attention is given to the reason for holding stocks. Stocks are not usually bought in November and December, for example, to sell in November and December, therefore why value the cost of materials sold in those months as if this were the intention? The purpose of purchasing materials is to make sales at a later date (perhaps when selling prices have increased) and, consequently, the cost of these materials should be matched to the related sales.

I hope we will not arrive at a complicated system designed to cope with a high rate of inflation by the time when we must hope inflation has abated. The main concern I have is that there should be a system for dealing with fixed assets and depreciation so that retentions are sufficient to maintain these assets. The up-rating of depreciation will remain necessary when the rate of inflation reduces, or is minimal. Current assets, that is stock mainly, do not seem to me to distort profit if the time relationship is taken into account.

A solution to the problems of accounting for deferred tax. At the moment many companies have large balances in their balance-sheets which they do not know when they will have to pay.

D. G. A. Owen,
E. Gomme.
P.O. Box 27,
High Wycombe, Bucks.

Far Eastern shipping

From Mr. E. Seeman.

Sir,—Being a constant traveller in the Far East, endeavouring to further the sales of our engineering equipment, it has become increasingly apparent that the main reason why new British machine tools are virtually non-existent in that area, and why our own equipment is becoming an increasingly "hard sell," is because of the—obviously comparatively unknown—cartel arrangement of the Far Eastern Shipping Conference.

These arrangements, which preclude healthy competition, mean that although the British market is more or less competitive in the ex-works prices because of the falling pound, when the high freight charges are added we are very far from competitive.

It is most tantalising that millions of potential purchasers of British machines in the Far East (usually owners of small workshops), even taking into account the lingering goodwill in that area, and the feeling that British machines are more robust, would be foolish not to consider the far cheaper Taiwan or subsidised Communist products where the freight charges pro rata to the distance involved are but a fraction of ours.

It is often a fact that the ex-works price of a reconditioned machine of British manufacture, of reasonable standard, is doubled or more, by the addition of freight charges and of course the British exporter has no opportunity to search around for cheaper freight rates as they have in the Far East, since here, there is one price only.

I can, therefore, only draw the regretful conclusion that our various Governments have been and still are, ignorant of the damage that this cartel arrangement—allowed to function for so long unchecked—is doing to our economy. This must, adversely affect both our export and unemployment figures, while in the Far East, the Taiwan and Communist exporters are rubbing their hands with glee! It seems that in spite of the fact that we have the opportunity to obtain a foothold in this market, our efforts are being cruelly "torpedoed" by the self-centred narrow outlook of the shipping interests.

Maybe in 1976 someone in our Government will be sufficiently interested to look into this and change it. Whatever the change, it can only mean an improvement.

E. B. Seeman,
Electro Motion (Export).
161, Barkby Road, Leicester.

Keeping the Donatello

From Mr. H. Leggatt

Sir,—The National Art-Collections Fund was reported (January 5) as appealing for donations for the acquisition by the Victoria and Albert Museum of Donatello's unique masterpiece as a tribute to the late Lord Crawford's lifelong work on behalf of the visual arts in this country.

As the Victoria and Albert is one of the very few national museums for which the Minister for the Arts' own department carries direct responsibility, would it not now be appropriate for Mr. Hugh Jenkins himself to give a decisive lead by announcing that the Government will play its due part in this tribute by offering an equivalent sum to that raised by the NA-CF? In giving encouragement to the appeal in this way Mr. Jenkins would only be fulfilling his Ministerial responsibilities.

Hugh Leggatt
Leggatt Brothers.
30, St. James's Street, S.W.1.

Meddling with markets

From Mr. D. Kidd

Sir,—The following quotes may well be of interest to your readers, especially when brought into juxtaposition:

"If educated people can't or won't see that fixing a price below the market level inevitably creates a shortage (and one above a surplus) it is hard to believe in the usefulness of telling them anything whatever in this field of discourse"—late Professor Frank Knight of Chicago University.

"Throughout last year over 33,000 families ended up officially homeless. And it's getting worse. . . . Unbelievably homelessness is only the tip of the housing crisis iceberg. Shelter estimates that one home in ten is unfit to live in. Yet it gets worse" — from a Shelter pamphlet. Shelter is a housing lobby whose policies invariably involve fixing rents below the market level and/or raising the costs of providing accommodation.

"The basic demand for accommodation in the Federal Republic is satisfied, says the Institut für Städtebau in its latest survey. There still exist indeed differences between areas and social groups and in quality; but the supply of accommodation has now reached a level unknown in Europe since the beginning of industrialisation"—from a report in the Frankfurter Algemeine Zeitung 8 January, 1976. West Germany has had a free market in housing for more than twenty years.

"Men little think how immorally they act in rashly meddling with what they do not understand. Their delusive good intention is no sort of excuse for their presumption. They who truly mean well must be fearful of acting ill"—Edmund Burke.

D. J. Kidd
41, Whittington Road, N.22.

Simple truth

From Mr. E. R. Gurney.

Sir,—Mr. Smedley has indeed cause for the alarm he expresses (January 8) as to who will pay the bills and it was useful to publish his letter on the day of Samuel Brittan's article on the growth of public spending as a percentage of GNP.

The record of successive Governments over the past four decades has increasingly committed us to measures which have progressively weakened the market economy. That it is possible to reduce unemployment temporarily by monetary expansion is not in doubt but deliberate use of inflation to reduce employment cannot be more than a short-term palliative, because inflation increases the maldistribution of labour between industries. This *must* produce unemployment as soon as it ceases and the magnitude of the unemployment caused by the cessation or reduction of inflation will increase in proportion to the time the inflationary policy was pursued.

It is also no solution—Canute-like—to suppress inflation by price controls. Such controls make the price mechanism inoperative and lead to more and more central direction and, in consequence, to a larger and larger percentage of the Gross National Profit being allocated to public spending. Mr. Brittan's curve shows this trend only too well.

Moreover, the process is self-accelerating because once production becomes dependent on price controls and official allocations an excess supply of money is required to help overcome the obstacles it creates. The simple electronic analogy of this acceleration is, the effect of placing a microphone in line with a loudspeaker to which both are connected through an amplifier. The "noise" in the system is quickly amplified to the point of overload and paralysis.

A market economy cannot operate effectively unless relative wages and prices are determined by market forces and this simple truth can no longer be concealed.

E. R. Gurney.
E. Roland Gurney and Partners,
30, Milsom Street,
Bath.

Paying the liquidator

From Mr. R. W. Wright.

Sir,—Mr. Walter Jackson's letter of January 5 concerning liquidators' remuneration is written under a basic misapprehension. The implication is that liquidators fix their own remuneration at such figures as, in their absolute discretion, they think fit. That is not the case.

In a compulsory liquidation the remuneration of the liquidator is fixed by the Committee of Inspection or, if there is no Committee, by the Department of Trade and Industry; the Department has the right, in any event, to apply to the Court to assess the remuneration if it considers that the amount fixed by the Committee is excessive.

In bankruptcy, either the Committee or the general body of creditors fixes the Trustees' remuneration, but if no Committee exists then the Trustee is, unless otherwise ordered, remunerated by the scale of fees and percentages for the time being payable on realisations and distributions by the Official Receiver. So far as voluntary liquidations are concerned, the remuneration has to be approved either by the Committee or by a meeting of the general body of creditors.

There are, accordingly, contrary to Mr. Jackson's belief more than adequate safeguards. Mr. Jackson's figures are, in themselves, of little use. A remuneration equivalent to 43 per cent. of the assets may be most reasonable for the work done if the assets had a low total value.

While one can appreciate Mr Jackson's anger at the smallness of dividends to ordinary unsecured creditors this might be better directed to criticism of the increase in the types of preferential creditors and the considerable rise in the value of these claims. It appears likely that, unless the Crown's position as a preferential creditor for all manner of taxes is abolished, the average dividend to ordinary unsecured creditors will steadily be diminished until we have a position, as one does now in Germany, where the average dividend to the ordinary unsecured creditor has been reduced to between one and two per cent.

R. W. Wright.
Temple Bar House,
23-28 Fleet Street, E.C.4.

The dollar premium

From Mr. L. Rolfe and Mr. S. Cockburn.

Sir,—The existence of a "dollar premium" is, or should be, a constant source of shame to all British persons. It is a quantification of the lengths to which residents of this country will go to get their money out of it. As such, it is by definition, bad publicity: and yet we persist in a ludicrous system which exaggerates its apparent extent.

To the casual observer, and who except the professional is not casual in this context, it appears that U.K. citizens will pay 111 per cent. over the odds to get out of sterling. Yet if the real premium is calculated against the actual spot exchange rate, it falls to 65 per cent. For many years the London Stock Exchange persisted in the use of "Dummy Dollars," a sad reminder that the pound used to be worth $5. Now that the SE Official List is capable of adjusting daily to the actual premium over the spot exchange rate, why must the authorities cling to the figure of 111 per cent. based on a fictitious $2.60 U.S. to the pound?

Perhaps it is because the official parity valuation of the pound to $2.89542 is still used for U.K. currency reserves. When is this game of charades to cease? Some figures are really worse than they appear: others are less bad can we not be efficient and brave enough to face facts?

L. R. Rolfe.
S. J. Cockburn.
44 Bloomsbury Square,
W.C.1.

To-day's Events

GENERAL

Mr. Fred Peart, Minister of Agriculture, gives evidence on EEC agricultural price review to Select Committee on European Secondary Legislation, House of Commons.

European Central Bankers end two-day meeting, Basle.

Mr. Eric Varley, Industry Secretary, speaks at American Chamber of Commerce lunch, Savoy Hotel, W.C.2.

Mr. Andrei Gromyko, Soviet Foreign Minister, ends five-day visit to Tokyo.

Trade ministers of 35 developing countries in Asia and Middle East begin nine-day meeting to formulate joint policy on raw materials and technology, Jakarta.

Royal Society of Health holds Health Service reorganisation conference, Central Hall, Westminster.

PARLIAMENTARY BUSINESS

House of Commons: Debate on devolution to Scotland and Wales.

House of Lords: Fatal Accidents and Sudden Deaths—Inquiry (Scotland) Bill, committee. Land Drainage (Amendment) Bill, second reading. Northern Ireland Orders on education, insurance companies and unsolicited goods. Debate on former Far East prisoners of war unable to obtain disability pensions.

COMPANY RESULTS

Hickson and Welch (Holdings) (full year).
International Timber Corporation (half-year).
Letraset International (half-year).
Scottish and Newcastle Breweries (half-year).
SGB Group (full year).
Tollemache and Cobbold Breweries (full year).
Vosper Thornycroft (full year).

COMPANY MEETINGS

Leeds and District Dyers and Finishers, Leeds, 12.
Osborn (Samuel), Sheffield, 12.30.
Ransome Hoffmann Pollard, Quaglino's, S.W.12.
Stockholders Investment Trust, Winchester House, E.C.12.

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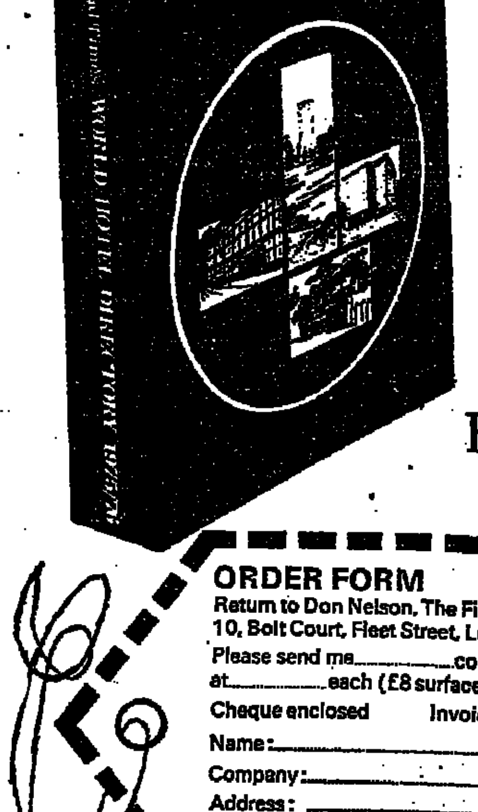

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COMPANY NEWS + COMMENT

Hogg Robinson up 39% after six months

FOLLOWING his report last October that first quarter results of the Hogg Robinson Group were "most encouraging," chairman Mr. Francis Perkins now announces an increase of 39 per cent. to £2.02m. in first half pre-tax profits, obtained from a turnover 38 per cent. higher at £8.13m.

And, he says, the half-year figures encourage the expectations that results for the full year to March 31, 1976 will show a "significant" increase.

Adjusting for the intervening one-for-four scrip issue, the net *interim dividend is lifted from* 1.876p per 25p share to 1.95p—or from 2.8p to 3p gross. Last year's net total equivalent was 3.228p—gross 4.88p—paid from taxable profits of £4.68m.

The group operates as international insurance brokers, underwriting agents and travel and freight agents. Insurance broking turnover amounted to £6.26m. of which 53 per cent. was received in foreign currencies.

Mr. Perkins says the first half improvement in the international broking business was "particularly satisfactory" with the flow from North America showing increased buoyancy.

He adds that broking companies engaged in U.K. business have made a satisfactory start to the *year, and the transport division's* profits for the six months were higher than anticipated.

A change has been made in the group's organisation. Hogg Robinson and Gardner Mountain (Insurance), which operates from the U.K. but is mainly concerned in placing international risks, has become the International Division of the Group and its name has been changed to Hogg Robinson and Gardner Mountain International.

Expansion in world trade during *1976 should further increase* the opportunities for the new International Division and for group companies operating overseas, the chairman tells members.

Statement Page 19
See Lex

INDEX TO COMPANY HIGHLIGHTS

Braid Grp. profit growth

TURNOVER OF vehicle distributors, etc., Braid Group increased from £13.34m. to £17.2m., and pre-tax profit advanced from £294,415 to £345,113 in the year to September 30, 1975, after deducting exceptional items of £356,113, against £48,000.

When reporting first half profit up from £206,492 to £359,704, the *directors* pointed out that the gross profit percentages earned within the distribution activities were, at end-March, in excess of levels permitted by the Price Code and steps were being taken to correct the situation. On the basis of the projected turnover for the year and having regard to price regulations it was not expected that profit permitted by terms of the code would exceed £465,000 before tax for the year.

Stated earnings per 5p share for the year were unchanged at 2.7p. A final dividend of 0.7638p lifts the net total from 1.05075p to 1.1213p.

	1974-75 £	1973-74 £
Turnover	17,196,918	13,337,068
Exceptional debits	356,113	48,000
Pre-tax profit	345,113	294,415
Taxation	162,874	137,366
Retained	95,963	97,335

The exceptional items consisted of excess profits under the Counter-Inflation Act, 1973, £189,000 (£48,000) and provision for property repairs arising from a decision to transfer certain activities to a site already owned by the group £167,130 (nil).

● **comment**

Braid had already indicated last July that it was having difficulty keeping within its reference margins and, adjusting for all exceptional items, the full-year profit is more than doubled at £0.7m.—£120,000 above the previous peak in 1973. Anyway the second-half performance is 10 per cent. above expectations of what could be earned before the margin limit would be breached. Braid is again working to bring back margins and push for turnover, though the latter will be difficult, *considering the depressed new* and used car markets, even if Vauxhall can keep increasing its market share. The yield of 10 per cent. at 18p, covered nearly 2½ times on reported earnings, is fairly typical for the sector.

Savoy sale and leaseback

The Savoy Hotel group has raised £2.6m. by a *sale and lease*-back deal with a pension fund on Clareville House, which includes Stone's Chop House.

On an island site bounded by Panton Street, Whitcomb Street and Oxenden Street, London, W.1, *the whole of Clareville House*, which includes shops and offices as well as the restaurant, has been leased back to the Savoy for 125 years.

Yarrow turns in £6.37m.

INCLUDING results of the Shipbuilding side, profits of Yarrow and Company have fallen from £7.66m. to £6.37m. in the year ended June 30, 1975.

Earnings are shown at 77.9p (103.4p) per 50p share including the unappropriated profit of Yarrow (Shipbuilders), and at 22.9p (8.4p) excluding that item. A dividend total of 3.75375p (3.5175p) has already been paid.

	1974-75 £	1973-74 £
Turnover	48,123,380	30,483,556
Profit	5,298,122	5,159,232
Depreciation	524,035	231,526
Interest paid	346,300	184,820
Assoc. loss	56,500	—
Shipbldg. grants	287,362	1,385,168
Investment income	1,362,330	1,504,789
Invest. sale profit	83,379	14,511
Profit before tax	6,374,458	7,457,334
Taxation	3,257,964	3,320,540
Net profit	3,116,504	4,136,794
Special reserve	*2,201,594	3,801,619
Extraord. charges	†448,425	—
Dividend	150,150	146,780
Forward	1,922,429	1,157,669

* Unappropriated profit of Yarrow (Shipbuilders).
† Net loss £188,425 on sale and repurchase of most of quoted investments, and £260,000 write-off representing balance of cost of shareholding in associated company. Met by transfer from capital reserve.

Following representations by the company, the Ministry of Defence and the Department of Industry have authorised a distribution of £500,000 to be made by Yarrow (Shipbuilders) to the parent and this has been incorporated in the Yarrow accounts.

The Board considers the amount "totally inadequate" in view of the substantial profits earned by Shipbuilders and its *strong financial position*. A further application has therefore been made for a larger proportion to be released, and any additional distribution will be brought into the next published accounts.

Expenditure on capital investment *during the year amounted* to £1.8m. (£2.7m.).

See Lex

Upsurge at Turner Manfg.

FOLLOWING the *first* half advance from £599,000 to £860,000 in taxable profits of Turner Manufacturing, commercial gearbox, etc. makers, the second half has produced a further rise from £692,000 to £1,019,000, to make a total for the year to September *27, 1975* up to £1,879,000, from £1,291,000.

Last June, reporting at the interim stage, chairman Mr. S. V. Lancaster said it was expected that second half profits would continue at a similar level to those of the first.

Earnings per 25p Ordinary share for the year are shown to have increased from 5.6p to 9p and the net dividend total is lifted from 3.013p to 3.25p with a final of 2.03125p—Treasury approval for the rise in the gross equivalent to *20 per cent., or* 2 per cent. *above* the statutory increase, is required and will be obtained, it is stated.

The directors say that, having achieved a substantial increase in 1974-75, it would be unreasonable to expect profits growth to continue at the same rate, but present outlook indicates there could be a "modest" increase in 1975-76.

Demand for products is still at a satisfactory level and there is a healthy percentage of direct export orders for delivery in *1975-76, they add.*

	1974-75 £000	1973-74 £000
Group turnover	16,885	12,831
Profit	1,879	1,291
Tax	974	731
Net profit	905	560
Preference dividend	3	3
Ordinary dividends	325	302
Retained	577	255

● **comment**

Despite a niggling problem from its stocks build-up—another £692,000 higher after last year's 40 per cent. increase to £2.3m.—Turner has shown progress; sales have increased by 39 per cent. while profits have gone up by 46 per cent. The stock problem is to some extent a relic from the 1974 downturn on the marine side when the tanker market collapsed. The company hopes, however, that a growing off-shore *business will help to resolve this* difficulty. Meanwhile, plans are afoot to increase the share of exports to around 24 per cent. (after the 21 per cent. achieved in the 1974-75 period) with the help of Dana Corporation of the U.S., which holds a 35 per cent. stake in Turner. The shares at 69p yield 7.46 per cent. covered 2.8 times.

Mike Lee

Sir Ian Morrow, chairman of J. H. Vavasseur Group.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Astra Securities ......int.	0.33	March 19	0.26*	—	0.52*
A. G. Barr	3.86	—	3.42	5.26	4.82
Braid Group	0.76	—	0.72	1.12	1.05
Free State Development int.	4(a)	Feb. 26	4	—	14
Heavitree Brewery	11.24	—	10.32	13.51	12.66
Hogg Robinson ......int.	1.95	March 27	1.88*	—	3.23*
R. Smallshaw	0.5	—	1.08	0.5	1.84
Turner Mfg.	2.03	—	2.09	3.25	3.02
Wellman Engnr. ......int.	0.95	March 12	0.85	—	1.79

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) South African cents.

Brigray midway loss £97,000

ON A TURNOVER of £1,109,712, against £1,075,711, Brigray Group incurred an increased loss of £96,879 for the six months to July 31, 1975, compared with £52,684 for the corresponding period of 1974.

For the year to January 31, 1975 there was a loss of £215,525 before a tax credit of £38,418.

The chairman, Mr. T. G. Wyner, reports that considerable progress has been made to reduce surplus stocks and accounts receivable.

With an improving capital position it is intended to make a sizeable reduction in the overdraft, which the directors regard as excessive.

He says that action taken has greatly improved the company's position since mid-September and the directors are confident there will be a "significant" improvement in results in the year to January 31, 1977.

	Six months 1975 £	1974 £
External turnover	1,109,712	1,075,711
Loss before tax	96,879	52,684
Minorities	6,909	4,347
Unappropriated loss	89,970	47,337
Debit forward	74,458	*135,985

* Surplus.

The losses were primarily due to reduced margins arising both from a lack of awareness of increasing costs as well as from an inability to recover such costs in the present depressed state of the clothing and textile industries. A secondary factor was the high level of low price imports, the chairman explains.

Some activities have been severely cut back to the extent necessary to eliminate losses. At the same time, the company is engaged in a programme of expansion of its other activities, especially those with the greatest potential. Principal activities are the manufacture of outerwear and knitting of jersey fabric.

As before there is no interim dividend. The last total was 0.2p net per 5p share for 1973-74. In-Gear owns approximately 28 per cent. of the Ordinary.

● ***comment***

The indication (in the last accounts published under the "old" board of Brigray) of a modest profit this year has gone right out of the window with a first-half loss of £97,000. The whole textile industry has gone through a rough patch, but it would be wrong to lay all Brigray's problems at that door. However, the new board is in the process of sorting out internal problems and trying to cut out the loss-makers, which includes some garment *business as well as fabrics*. Furthermore, it is hopeful of expanding more promising areas, though as yet these remain undefined. Borrowings, meanwhile, remain very high—£630,000 against capital employed less goodwill of £246,000 in the last accounts—and the attempt at tighter housekeeping since September is unlikely to have much impact on the current year. At 5p, where the market capitalisation is £380,000, the shares could be in line for a recovery, but it is still very early days.

Second Great Northern

First half revenue of The Second Great Northern Investment Trust amounted to £237,320, against £255,702, subject to tax of £102,330, compared with £104,906. The figures for the year to May 31, 1975 were £484,262 and £179,927.

Net assets at November 30, 1975 were £15.77m. (£16.31m. at May 31, 1975) including the full dollar premium £3.3m. (£4.06m.), and net assets per 25p Ordinary and "B" Ordinary were 82p against 85.2p.

Earnings per share for the year to May 31, 1976 are estimated at 1.45p compared with 1.82p based on 17.84m. shares (15.66m.).

The cost of the interim dividend of 0.6p (same) net, already paid, is £93,989 (£93,316). As known the directors have forecast a total of not less than 1.46p for the current year. For the previous year a total of 1.6p included an exceptional payment of 0.14p.

Northern Developments

A petition for the compulsory winding-up of Northern Developments (Holdings) was adjourned yesterday in the High Court, until January 26, after a creditor claiming over £1m. and the principal shareholder, Mr. Derek Barnes, founder and former chairman, came in to support the petition.

Mr. Barnes's Counsel said that if present negotiations over the company's future were unsuccessful, it was right that his client should be before the court. Elizabethan House Trust, creditors for £1.1m., were also given leave to be added to the list in support of the petition.

The petition is opposed by the *company's receivers*, Mr. Rupert Nicholson and Mr. P. J. Butler of Peat Marwick Mitchell.

Noise Abatement

A new noise control company, Noise Abatement Engineering, has been formed by Cleanair of Leighton Buzzard, Bedfordshire, itself a subsidiary of Foundry Equipment International, which is now part of the East Sussex Engineering Group, mechanical engineers, steel stockholders, and merchants.

The company will initially produce equipment for the control of noise at shakeouts, box and casting handling and other *foundry processes*, but *it is* intended to broaden its scope to supply equipment to anyone in the engineering business with a noise problem, says FEI managing director Mr. H. J. Thompson.

88 WINDING-UP ORDERS

Orders for the compulsory winding up of 88 companies were made by Mr. Justice Brightman in the High Court yesterday, the *first petition day of the new Law* Term.

Expansion planned for Portacel

Portacel has been incorporated as a subsidiary in the Portals Water Treatment Limited Group of Companies with effect from January 1, 1976.

Portacel was formed on January 1, 1974, by the amalgamation of two subsidiaries of Portals Holdings—British Berkefeld Filters and Chlorination Equipment—to constitute the basis of a new company to be used for the development and expansion of a wide range of equipment and processes for the sterilisation of water supplies.

Since that time, it has grown substantially in both home and export markets, and it is envisaged that its incorporation into PWT will both strengthen PWT's current range of activities and provide wider opportunities for further growth at Portacel.

The Portals Group is providing substantial financial backing for the modernisation and *expansion* of Portacel's factory and offices at Tonbridge, Kent. Phase I of this programme is expected to be completed by March 1976 and Phase II by the end of 1978.

GLOUCESTER & CHELTENHAM

Instead of 0.49p as previously reported the directors of Gloucester and Cheltenham Greyhounds say the final dividend *should be 0.57p net making a total* for the year to September 30, 1975 of 0.73p.

Northern Irish and Scottish

In his annual statement, Mr. A. Rintoul, chairman of Northern Irish and Scottish Investment Trust, tells members that despite the economic climate, with so much liquidity in the investment institutions available to buy Ordinary shares, the directors prefer to be "substantially committed" to the market at this time.

The company's largest investment is its holding in Scottish Canadian Oil and Transportation.

As reported on December 15 for the year to October 31, 1975 the *amount earned on Ordinary share* capital advanced from £26,279 to £32,325 and the dividend is lifted from 0.42p to 0.55p net.

The chairman says the year was a difficult one. In the early part the directors decided to repay the U.S. dollar loan as it had become impossible to maintain the necessary cover for the loan or for the revenue account to bear the continually increasing charge for interest. Extrication was expensive but, having done so, there has been an improvement in the net asset value per share from 18p to 25p.

Enclosed with the report and accounts is a letter to all holders on the subject of "B" shares and *how they have been affected by* the Finance (No. 2) Act 1975. The current distribution to "B" holders is the last which can be made under the old rules and the directors expect that most "B" will be converted into dividend paying Ordinary shares during the current year.

On the assumption that all the "B" are converted, they expect to be able at least to maintain the present rate of distribution and intend to revert to paying interim and final as in the past.

Meeting, Belfast, on January 28 at noon.

More stable footin at Vavasseur

BY MARGARET REID

J. H. Vavasseur Group, which was hard hit in the secondary banking crisis and has since been much reduced in size and reconstructed, should be able, by the end of 1976, to do without support loans from the Bank of England's "lifeboat" committee, it is hoped.

The chairman, Sir Ian Morrow, tells shareholders this in his annual statement, which reveals that the group incurred a net loss of £3.9m. in the year to June 30, 1975, compared with *larger* losses of £17.6m. in the calendar year 1973, and of £8.9m. in the half-year to June 30, 1974.

The 1974-75 loss was after further provisions of £2.9m. for unrealised losses, bringing the total of such *provisions to £17.4m.* At the end of June there were shareholders' funds of £4.5m. and capital employed of £9.6m.

For the first four months of the current year, to October 31, 1975, the group traded profitably, according to unaudited management accounts. While it is not possible to give a forecast of results in 1975-76, and there is little prospect of any preference dividend being paid in 1976, the fact that there was profitable trading in July-October last indicates that the company is now on a more stable footing, says Sir Ian.

A clear picture of the decline in the scale of the lending from the "lifeboat," run by the Bank of England with the big banks, is shown in the fact that the group's maximum financing *requirements, other* than those of subsidiaries financed on a normal trading basis, have dropped sharply from £72m. at the end of 1973. They went down to £61m. at the end of June 1974, £29m. at the end of June 1975 and £20m. by the end of 1975, indicating, with the *progress of disposals* and reshaping of *operations*, "the extent to which the group can be regarded as having overcome its problems," remarks Sir Ian.

From now on, opportunities for further disposals of properties and collection of bank loans will be restricted, he adds, so that the high level of borrowings will have, in the main, to be cut by cash flow generated from continuing activities.

"Facilities have been arranged through the Bank of England 'lifeboat committee' for 1976, by which time it is hoped the group will no longer be a 'special case' and will be able to operate under more normal banking arrangements" Sir Ian says. Vavasseur's shares closed ½p down at 3½p yesterday.

The report shows that, on December 1, 1975, the group made arrangements resulting in a payment of £291,000 to Anglo-Continental Investment and Finance, headed by Mr. Jimmy Goldsmith. This was in connection with the purchase from Anglo of further shares in the Dutch concern Beheer - en - Exploitatie-maatschappij Vavasseur (B which it now holds 82 per and the settlement by An certain outstanding matte cerning the 1973 purchase from Anglo of Rij (formerly De Occidentale later sold for £1.1m.

An Ordinary share stake per cent. is held in JHV by Slater Walker Securities Mr. Goldsmith recently su Mr. Jim Slater as chairma holding derived mainly Vavasseur's take-over in Barclay Securities, in whic was a large SWS holding.

In their auditors' repor Waterhouse note that, bec the banking facilities e until the end of 1976 to en JHV Group's policy of rea to be carried out in an fashion, the accounts ha prepared on the basis t group will continue as concern (apart from th nesses being run down).

They also say they cann whether the provisions o —the directors' best est what is necessary—in re unrealised losses will inadequate or excessive.

● **comment**

Vavasseur has entered calendar year of Bank of support in lean shape. Th balance sheet shows £824,000 of investment p still available for realisa only, £2.4m. outstandin estimated proceeds fron ties in liquidation. Del still shown as a hefty £4½m. of that relates to cipated proceeds fron sales, of which £1.8m. been received while th *ing £2.7m. has been* deposit for the group Africa. With little fat the group to trim off Bank of England scheduled to end on Dec 1976. Vavasseur's depend *heavily* on a recovery in trading at rently depressed Mills advertising subsidiary, a as continued growth fro exchange dealers Ha Meyer. The shares yesterday to 3½p.

Heenan Sp wound up

Heenan Spark, the i *industrial and financial* compulsorily wound High Court yesterday.

The petition was pr merchant bankers He dow Securities, cred £3,461,000.

No other creditors supporting or opposin tion, which was unopp

ISSUE NEWS

C. T. BOWRING

A quotation has been granted for up to £19,160,043 of 10 per cent. Convertible Unsecured Loan stock 1987 in C. T. Bowring. The stock has been issued in exchange for the existing 5 per cent. Convertible 1981.

PERCY BILTON

In response to Percy Bilton's offer, 1,735,015 Accumulation shares were converted into Ordinary *shares, and* 47,768 Ordinary shares into Accumulation shares. The result is that 20,748,047 Ordinary shares and 14,200,340 Accumulation are in issue.

TAP STOCKS

The prospectuses are published to-day in connection with the two Treasury Tap stocks: £500m. of 9¾ per cent. Treasury Stock 1980 and £600m. of 13 per cent. Treasury Stock 1990. The first is issued at £93.25 per cent. and the latter at £96.00 per cent.

Interest on the 1980 stock will be payable half-yearly first payment of £3.13 payable on May 14. the 1990 stock will also half-yearly with the fir for six months due on

Prospectuses Pa

EXCHEQUER

The Treasury anno no conversion offer w in respect of holding of 6½ per cent. Exche 1976. This stock m March 1 and will be r par.

RIGHTS RESU

Eagle Star's rights is £25.8m. on the basis four at 100p each has up as to 90.8 per cen rights issue to raise basis of one-for-two has been taken up as cent. The balance ha and the proceeds wi buted *to entitled shar* both cases.

WADE

Points from the Chairman's Stateme on the results for the year ended 31st July 1975:-

* Profit before tax £681,326 on sales £5,454,903. Dividend covered 4.1 times by earnings.
* Increased investment in product development and plant.
* Acquisition of Govancroft Potteries Limited, Glasgow, producers of *stoneware.*
* Strong liquidity position.
* Ability to achieve further growth, gi reasonable national trading climate

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This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

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World Value of the Pound

The table below gives the latest available rates *of* exchange for the pound against various currencies on January 12, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	344(sg)
Afghanistan	Afghani	118(A)
Albania	Lek	(O)10.10(A) (T)25.25(A)
Algeria	Dinar	(A)8.00(sg)
Andorra	French Franc	9.08½
	Spanish peseta	121.15
Angola	Angola Escudo	55.45
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(fn)123.56(d†)
Australia (S)	Australian $	1.8158
Austria	Schilling	37.35
Azores	Portug. Escudo	55.45
Bahamas (S)	Ba. Dollar	2.0404
Bangladesh (S)	Taka	29.95(sg)
Bahrain (S)	Dinar	0.804
Balearic Is.	Spa. Peseta	121.15
Barbados (S)	Barbados $	4.0739
Belgium	B. Franc	(cm)79.80 (fn)81.55
Belize	B$	4.06
Bermuda (S)	Bda. $	2.0310
Bhutan	Indian Rupee	18.062
Bolivia	Bolivian Peso	40.62
Botswana (S)	S. A. Rand	1.7674
Brazil	Cruzeiro	[illegible]
Br. Solomon Is. (S)	Australian $	1.6158
Br. Virgin Is. (S)	U.S. $	2.0310
Brunei (S)	Brunei $	[illegible]
Bulgaria	Lev	[illegible]
Burma	Kyat	(A)13.80(sg)
Burundi	Burundi Franc	[illegible]
Cambodia	Riel	[illegible]
Cameroon Rp	C.F.A. Franc	454½
Canada	Canadian $	[illegible]
Canary Is.	Spanish Peseta	121.15
Cape Verde Is.	Cape V. Escudo	55.45
Cayman Is. (S)	Cay. I. $	[illegible]
Cent. Af. Rp.	C.F.A. Franc	454½
Chad	C.F.A. Franc	454½
Chile	C. Peso	[illegible]
China	Renminbi Yuan	[illegible]
Colombia	C. Peso	[illegible]
Comoro Is.	C.F.A. Franc	454½
Congo (B'ville)	C.F.A. Franc	454½
Costa Rica	Colon	[illegible]
Cuba	Cuban Peso	[illegible]
Cyprus (S)	Cyprus £	[illegible]
Czechoslovakia	Koruna	[illegible]
Dahomey	C.F.A. Franc	454½
Denmark	Danish Krone	12.47½
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	[illegible]
Ecuador	Sucre	[illegible]
Egypt	Egyptian £	[illegible]
Ethiopia	Ethiopian $	[illegible]
Eq'l Guinea	Peseta	121.15
Falkland Is. (S)	Falkland Is. £	[illegible]
Faro Is.	Danish Krone	12.47½
Fiji Is. (S)	Fiji $	[illegible]
Finland	Markka	[illegible]
France	French Franc	[illegible]
Fr. C'ty in Af.	C.F.A. Franc	454½
Fr. Guiana	Local Franc	[illegible]
Fr. Pac. Is.	C.F.P. Franc	[illegible]
Gabon	C.F.A. Franc	454½
Gambia (S)	Dalasi	[illegible]
Germany (East)	Ostmark	[illegible]

Place and Local Unit		Value of £ Sterling
Germany West	Deutschemark	5.28
Ghana (S)	Cedi	2.34
Gibraltar (K)	Gibraltar £	1.00
Gilbert & Ellice Is. (S)	Aust. Dollar	1.6158
Greece	Drachma	71.875
Greenland	Danish Kroner	12.47½
Grenada (S)	E. Caribbean $	4.80
Guadaloupe	Local Franc	9.08¾
Guam	U.S. $	2.0310
Guatemala	Quetzal	2.0310
Guinea Rep.	Sily	n.a.
Guinea Bissau	♥♥	♥♥
Guyana (S)	Guyanese $	5.1942
Haiti	Gourde	10.155
Honduras Rep	Lempira	4.062
Hong Kong (S)	H.K. $	10.1365
Hungary	Forint	(com) 85.42 (nc)(T) 41.71
Iceland (S)	I. Krona	338.28
India (S)	Ind. Rupee	18.062
Indonesia	Rupiah	842.87
Iran	Rial	(A)141
Iraq	Iraq Dinar	0.600
Irish Rep.	Irish £	1.00
Israel	Israel £	[illegible]
Italy	Lira	[illegible]
Ivory Coast	C.F.A. Franc	454½
Jamaica (S)	Jamaica Dollar	[illegible]
Japan	Yen	[illegible]
Jordan (S)	Jor. Dinar	[illegible]
Kenya (S)	Ken. Shilling	[illegible]
Korea (Nth)	Won	[illegible]
Korea (Sth)	Won	[illegible]
Kuwait (S)	Kuwait Dinar	[illegible]
Laos	Kip	[illegible]
Lebanon	Lebanese £	[illegible]
Lesotho	S. African Rand	[illegible]
Liberia	Liberian $	[illegible]
Libya	Libyan Dinar	[illegible]
Liechtenstein	Swiss Franc	[illegible]
Luxembourg	Lux Franc	[illegible]
Macao	Pataca	[illegible]
Madeira	Portug'se Escudo	55.45
Malagasy Rp.	MG Franc	[illegible]
Malawi (S)	Kwacha	[illegible]
Malaysia (S)	Malaysian $	[illegible]
Maldive Is. (S)	Mal. Rupee	[illegible]
Mali Rp.	Mali Franc	[illegible]
Malta (S)	Maltese £	[illegible]
Martinique	Local Franc	[illegible]
Mauritania	Ouguiya	[illegible]
Mauritius (S)	M. Rupee	[illegible]
Mexico	Mexican Peso	[illegible]
Miquelon	C.F.A. Franc	454½
Monaco	French Franc	[illegible]
Mongolia	Tugrik	[illegible]
Montserrat	E. Caribbean $	4.80
Morocco	Dirham	[illegible]
Mozambique	Moz. Esc.	55.45
Nauru Is.	Aust. Dollar	1.6158
Nepal	Nepalese Rupee	[illegible]
Netherlands	Guilder	[illegible]
Neth. Antilles	Antillian Guild	[illegible]
New Hebrides	Franc / Aust. Dollar	[illegible]
N. Zealand (S)	N.Z. Dollar	[illegible]
Nicaragua	Cordoba	[illegible]
Niger Rp.	C.F.A. Franc	454½
Nigeria (S)	Naira	[illegible]
Norway	Nrwg. Krone	[illegible]
Oman Sultanate of (S)	Rial Omani	[illegible]
Pakistan	Pkst. Rupee	[illegible]
Panama	Balboa	[illegible]
Papua N.G. (S)	Kina	[illegible]

Place and Local Unit		Value of £ Sterling
Paraguay	Guarani	255.65
Ppl's D. Rp. of Yemen (S)	S. Yemen Dinar	(A)0.80
Peru	Sol	exc A 91.46¼ (A) 87.46¼
Philippines	Ph. Peso	15.2725
Pitcairn Is. (S)	£ Sterling	—
	New Zealand $	1.9465
Poland	Zloty	(B)40.00 (T)68.48
Portugal	Pgse Escudo	55.45
Port Timor	Timor Escudo	55.45
Principe Isle	♥♥	♥♥
Puerto Rico	U.S. $	2.0310
Qatar (S)	Qatar Ryal	8.11
Reunion, Ile de la	French Franc	9.08¾
Rhodesia	Pound ●●	n.a.
Romania	Leu	(cm) 10.16 (n/c)(T)24.800
Rwanda	Rwanda Franc	190.80
St. Christopher (S)	E. Caribbean $	4.80
St. Helena (S)	£ Sterling	—
St. Lucia (S)	E. Caribbean $	4.80
St. Pierre	C.F.A. Franc	454½
St. Vincent (S)	E. Caribbean $	4.80
Salvador El	Colon	[illegible]
Samoa (Am.)	U.S. $	2.0310
San Marino	Italian Lira	[illegible]
Sao Tome	♥♥	♥♥
Saudi Arabia	Ryal	7.17
Senegal	C.F.A. Franc	454½
Seychelles	S. Rupee	13.33
Sierra Leone (S)	Leone	2.0
Singapore (S)	Singapore $	5.0340
Somali Rep.	Som shilling	12.88(sg)
Sth. Africa (S)	Rand	1.7674
S. W. Africa Territories (S)	S. A. Rand	1.7674
Spain	Peseta	121.15
Span. Ports in N. Africa	Peseta	121.15
Sri Lanka (S)	S. L. Rupee	15.5688(sg)◆◆
Sudan Rp.	Sudan £	0.685(sg)
Surinam	S. Guilder	3.6355
Swaziland (S)	Lilangeni	1.7674
Sweden	S. Krona	8.89½
Switzerland	Swiss Franc	5.29¼
Syria	Syria £	(A)7.32(sg)
Taiwan	New Taiwan $	(P)77.178
Tanzania (S)	Tan. Shilling	16.725
Thailand	Baht	41.37
Togo Rep.	C.F.A. Franc	454½
Tonga Is. (S)	Pa'anga	1.3655
Trinidad (S)	Trin. & Tobago	4.80
Tunisia	Tunisian Dinar	0.845(sg)
Turkey	Turkish Lira	31.052(bg)
Turks & Caicos	U.S. $	2.0310
Uganda (S)	Ug. Shilling	16.7230
Utd. States	U.S. Dollar	2.0510
Uruguay	Uruguay Peso	(cm)5.46 (fn)6.69
Utd. A'b Emirates	U.A.E. Dirham	8.06
U.S.S.R.	Rouble	1.56
Upper Volta	C.F.A. Franc	454½
Vatican	Italian Lira	1388½
Venezuela	Bolivar	7.09(x)
Vietnam (Nth)	Dong	n.a.(g)
Vietnam (Sth)	Piastre	n.a.(g)
Virgin Is. U.S.	U.S. Dollar	n.a.
Western Samoa (S)	Samoan Tala	2.0310
Yemen	Ryal	1.2116
Yugoslavia	New Y Dinar	9.20(sg)
Zaire Rp.	Zaire	38.8352
Zambia (S)	Kwacha	1.0153
		1.3079

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.
◆◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.
●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the independent Regime on February 17, 1970. Recent reports suggest a rate of about 1.2874 Rh. dollars to £1.
◆ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs.5 to one unit of the new currency.
(x) General rate: oil and iron exports [illegible].

(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 6.235 Russian roubles, the North Vietnam dong at 4.300 roubles, and the North Korean won at 0.7493 roubles. With the pound standing at 1.56 roubles, the following relationships could be calculated for the pound: £1=6.89 tugriks, £1=6.96 dongs, £1=1.57 won.
♥♥ Information not available for this edition.
* Rate is the Transfer market (controlled).
† Rate now against 2 Barbados $ to the dollar.
‡ Special Financial Rate 175.53.
§ Australian dollar remains in circulation.
¶ Now one official rate.

طبق الأصل

هكذا في الأصل

Wellman Engrg. £100,000 midway increase

HALF profits of Wellman ...ring Group rose £100,000 ...758; and unless economic ... industrial conditions ...ate to an unforeseen ... the directors are confident ...ofits for the full year to ...31, 1976 will exceed the ... achieved in 1974-75.

...e event, they will recom... the maximum permitted ... Meanwhile, the in...s stepped up from 0.85p ... net per 25p share from ...s of 1.7p against 1.16p. ...r 1974-75 was 1.799p.

...rder book stands at £16m., ... £14.3m. a year ago, but in ...t three months there has ...noticeable decline in orders ...

... will not affect the current ...esults and it is too early ... whether it will jeopardise ...get of higher profits in ...

... tax £184,606 (£145,071) the ...ar's net profit came out at ... (£130,367). There are ...dinary charges of £18,863 ...rency realignments and ... reduction of share of asso... cumulative profits on reduc... shareholding. Last year ...as a £21,135 charge on pro... discontinuance costs.

...nment

...n's first half growth—...36 per cent. higher—...s to have come entirely ...n improvement in margins. ... is still depressed in both ... and in the export markets ...wing felt the initial boost ... the recent streamlining ...es, the company could well ...nce a standstill position in ...ond half. Since the time ...f the group's contracts run ...out a year the current ...ng trend in new orders ... a rather dull picture for ... However, the group has ... strong liquid position, with ...alances last year totalling ...han £1.6m. with no borrow... and that should prove a ... prop for the shares at 38p, ... the yield is 8.1 per cent., ... face of a threatened profits ...ll next year.

...aden in joint ...orth Sea ...nture

...n Carrier and Rockall Resources have joined ... to form Haden Rockall ...nance, which offers a com...sive maintenance service to ...l industry, including the ... and application of systems ...e maintenance of offshore ...tion platforms.

...ally, Haden Rockall is con...ting on the North Sea area, ...e company has its sights set ...ending its services to other ...of international oil explora...nd production.

... new company has secured ...reement with Delta Metal ... whereby that group's sub... British Electrical Repairs, ...d its electric motor rewind... vice to the overall package.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Crouch Group, International Timber, Jones Stroud, Letraset International, Midland Cattle Products, Scottish and Newcastle Breweries.

Finals:—Associated Sprayers, Bootham Engineers, Dewhurst and Partner, Fluidrive Engineering, Hickson and Welch, Invesfors Capital Trust, A. J. Mills, SGB Group, Tollemache and Cobbold Breweries, Tridem Television, Vosper Thornycroft, Warper Estate Holdings.

FUTURE DATES

Interims:—	
British Electric Traction	Jan. 15
Brown (John)	Jan. 30
Diamond Stylus	Jan. 16
Dixons Photographic	Jan. 15
Eastwood (J. B.)	Jan. 15
G.T. Japan Investment Trust	Jan. 16
Gelfer (A. and J.)	Jan. 22
Hillards	Jan. 28
Howard Shuttering	Jan. 19
Kwikform	Jan. 26
Len Group	Jan. 15
Saint Piran	Jan. 23
Smith (David S.)	Jan. 22
Finals:—	
Derby Trust	Jan. 22
Great Northern Investment Trust	Jan. 19
Imperial Chemical Industries	Feb. 19
Mears Bros.	Jan. 21
Midland Industries	Jan. 20
Second British Assets Trust	Jan. 22
U.S. and General Trust Corpn.	Jan. 21

A. G. Barr recovers—passes £1m.

MAINLY RESULTING from the exceptional summer, soft drink manufacturer A. G. Barr has recovered from its setback and for the year ended October, 1975 has turned in record profits of £1.13m.

In the first half, the group incurred a loss of £388,000 because it was unable to recover substantial cost increases by raising prices. This followed a reduction in profits from £838,000 to £260,000 in the year 1973-74.

The final dividend is 3.8597p for a total of 5.2597p, compared with 4.8234p. Earnings are stated at 28.01p against 9.71p.

Turnover expanded from £12.88m. to £17m. Products include Irn-Bru, Tizer, Jusoda and Lemonade.

R. Smallshaw setback

On a turnover up from £2.07m. to £2.46m., pre-tax profit of R. Smallshaw (Knitwear) contracted from £130,115 to £4,554 in the year to September 30, 1975.

At the half-way stage profit was down from £70,000 to £5,000 reflecting increased imports of knitwear from the Far East, coupled with the inability to recover increased cost. The directors warned that the situation appeared likely to continue into 1976.

Stated earnings per 10p share before an extraordinary item for the year were 0.114p (5p), and the dividend is cut from 1.8375p to 0.5p net.

	1974-75	1973-74
	£	£
Turnover	2,461,000	2,065,000
Profit before tax	4,554	130,115
Taxation	3,130	67,640
Net profit	1,424	62,475
Reorganisation costs	1,114	—
Balance	310	62,475
Dividends	6,250	22,989
Forward	241,645	*240,065

* Less £1,500 prior year's deferred tax adjustment.

London Scottish American

THE ESTIMATE for current year's revenue of London Scottish American Trust, made on the usual conservative basis, indicates that the increased 3.575p net dividend should be covered by income, says the chairman Mr. I. H. Garnett-Orme.

He hopes that the present rate of inflation can at least be halved by the end of the year, and that the Government will consider an early abolition of the 10 per cent. dividend control.

"If these hopes were to be fulfilled, then our ability to match inflation would be enhanced considerably."

The chairman stresses that it was due largely to the continuing policy of achieving a high investment income, while maintaining a substantial overseas content, that the dividend was increased from 3.35p in 1974-75.

Within the U.K. a "real" return on investment remained unavailable and no normal medium of investment could produce an income sufficient to match the rate of inflation, he says.

As reported on December 5 with the dividend net revenue after tax for the year ended October 31, 1975 was £727,673 (£708,937).

At October 31, valuation of investments stood at £24.54m. (£15.42m.), with the appreciation of £8.84m. (depreciation, £9.85m.) shown in reserves.

Meeting, 2, St. Mary Axe, E.C., February 4 at 2.15 p.m.

Chairman's statement Page 19

Heavitree Brewery growth

PRE-TAX PROFIT of Exeter-based Heavitree Brewery increased from £357,761 to £379,752 in the year to October 31, 1975.

The dividend is raised from 12.663p to 13.514p net per £1 share with a final of 11.239p.

	1974-75	1973-74
	£	£
Trading profit	316,685	308,989
Exceptional credits	91,573	58,169
Share loss associate	25,906	9,317
Pre-tax profit	379,752	357,761
Taxation	163,372	151,975

HOGG ROBINSON

INTERNATIONAL INSURANCE BROKERS, UNDERWRITING AGENTS & TRAVEL and FREIGHT AGENTS.

39% profit increase at half year

Extracts from the Interim Statement by the Chairman Mr Francis Perkins.

The profit for the half year to 30th September 1975 was £2,020,000 showing an increase of 39% over the same period in the previous year. The increase in Group turnover during this period was 38%. Insurance Broking turnover amounted to £6,260,000 of which 53% was received in foreign currencies.

The improvement in our international broking business has been particularly satisfactory, with the flow from North America showing increased buoyancy. The broking companies engaged in United Kingdom business have made a satisfactory start to the year, and the Transport Division profits for the six months were higher than anticipated. These figures encourage the expectation that the year-end results will show a significant increase.

An interim dividend of 1.95p. per ordinary share will be paid. This is equivalent to 3p. per share gross, compared with 2.8p. per share (after adjustment for the capitalization issue) declared last year.

The consolidated trading results (unaudited) were as follows:

	Half-year ended 30.9.75	Half-year ended 30.9.74	Year ended 31.3.75
	£000	£000	£000
Group Turnover	8,130	5,900	14,511
Profit*	2,020	1,450	4,683
Dividend (gross equivalent)	3.00p	†2.20p	†4.88p

*Before taxation and minority interests.
†After adjustment for capitalization issue 18.11.75.

RECENT ISSUES

EQUITIES

[illegible]	[illegible]

FIXED INTEREST STOCKS

[illegible]	[illegible]

"RIGHTS" OFFERS

[illegible]	[illegible]

...nunciation date usually last day for dealing free of stamp duty. a Placing to public. b Figures based on prospectus estimate. d Dividend rate paid or ...le on part capital, cover based on dividend on full capital. p Pence ... otherwise indicated. u Forecast dividend: cover based on previous year's ...gs. T Figures assumed. ‡ Cover allows for conversion of shares not now ...g for dividends or ranking only for restricted dividends. ** Issued by tender. ...ered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. † Rights ...y of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in ...tion with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to ... Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or ...paid allotment letters. ‡ With warrants.

Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from today, Tuesday, January 13th, 1976 their Base Rate for lending is reduced from 11 per cent. to 10½ per cent. per annum.

At the same time, interest payable under the Bank's Demand Deposit Scheme on sums of £1,000 up to £100,000 is reduced to a rate of 8 per cent. per annum.

Hill Samuel & Co. Limited
100 Wood Street
London, EC2P 2AJ
Telephone: 01-628 8011

Union Corporation Group

Directors' Reports of Gold Mining Companies for the quarter ended 31st December, 1975.

LESLIE GOLD MINES LIMITED

Issued Capital R11,200,000 in shares of 70 cents each.

OPERATING RESULTS	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975
Ore milled (t)	305,000	310,000
Gold produced—kg.	1,403	1,426
Yield—(g/t)	4·60	4·60
Revenue per ton milled	R17·79	R16·08
Cost per ton milled	R12·04	R11·61
Profit per ton milled	R5·75	R4·47
Working revenue	R5,426,000	R4,985,000
Working costs	R3,672,000	R3,600,000
Working profit	R1,754,000	R1,385,000
Net sundry revenue	R64,000	R60,000
PROFIT before taxation and lease consideration	R1,818,000	R1,445,000
Taxation and lease consideration	R946,000	R695,000
PROFIT after taxation and lease consideration	R872,000	R750,000
Capital expenditure	—	—
Dividend declared	—	—
DEVELOPMENT:		
Advanced (m)	557	456
Sampling results:		
Sampled (m)	125	114
Channel width (cm)	9	11
Av. value: g/t	33·8	53·9
cm.g/t	304	593
Payable:		
Percentage	11	54
Channel width (cm)	15	14
Av. value: g/t	54·9	59·4
cm.g/t	823	832

Reduction of Capital
The reduction of capital of 10 cents per share was paid on 7th November, 1975.

BRACKEN MINES LIMITED

Issued Capital R14,000,000 in shares of R1 each.

OPERATING RESULTS	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975
Ore milled (t)	255,000	260,000
Gold produced—kg.	1,989	2,080
Yield—(g/t)	7·80	8·00
Revenue per ton milled	R28·86	R28·06
Cost per ton milled	R11·89	R11·68
Profit per ton milled	R16·97	R16·38
Working revenue	R7,360,000	R7,296,000
Working costs	R3,032,000	R3,036,000
Working profit	R4,328,000	R4,260,000
Net sundry revenue	R171,000	R191,000
PROFIT before taxation and lease consideration	R4,499,000	R4,451,000
Taxation and lease consideration	R2,679,000	R2,634,000
PROFIT after taxation and lease consideration	R1,820,000	R1,817,000
Capital expenditure	—	—
Dividend declared	—	R3,080,000
DEVELOPMENT:		
Advanced (m)	456	422
Sampling results:		
Sampled (m)	140	134
Channel width (cm)	51	94
Av. value: g/t	20·5	5·1
cm.g/t	1,248	479
Payable:		
Percentage	78	38
Channel width (cm)	62	88
Av. value: g/t	23·0	8·8
cm.g/t	1,428	776

Dividend
Dividend of 22 cents per share was paid on 7th November, 1975.

MARIEVALE CONSOLIDATED MINES LIMITED

Issued Capital R2,700,000 in shares of 60 cents each.

OPERATING RESULTS	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975	Twelve months ended 31st Dec. 1975
Ore milled (t)	270,000	270,000	1,070,000
Gold produced—kg.	972	999	3,985
Yield—(g/t)	3·60	3·70	3·72
Revenue per ton milled	R13·68	R12·88	R13·66
Cost per ton milled	R9·19	R9·12	R8·73
Profit per ton milled	R4·49	R3·76	R4·93
Working revenue	R3,694,000	R3,479,000	R14,618,000
Working costs	R2,483,000	R2,463,000	R9,341,000
Working profit	R1,211,000	R1,016,000	R5,277,000
Net sundry revenue	R29,000	R13,000	R155,000
PROFIT before taxation and *lease consideration*	R1,240,000	R1,029,000	R5,432,000
Taxation and lease consideration	R607,000	R511,000	R2,747,000
PROFIT after taxation and lease consideration	R633,000	R518,000	R2,685,000
Capital expenditure	—	—	—
Dividend declared	R1,125,000	—	R1,890,000

Dividend
On 12th December, 1975, Dividend No. 71 of 25 cents per share was declared to members registered at 31st December, 1975. Dividend warrants will be posted about 12th February, 1976.

Ore Reserves
The ore reserves have been re-estimated at 31st December, 1975, with the following results:

	Gold Price per kg.	Metric Tons	Assay Value g/t	Est. Stoping Width Cms.
Main Reef	R3,500	400,000	5·8	140
Kimberley Reef	R3,500	1,000,000	4·8	140
Main Reef	R4,500	1,000,000	4·7	140
Kimberley Reef	R4,500	1,600,000	4·4	140

WINKELHAAK MINES LIMITED

Issued Capital R12,000,000 in shares of R1 each.

OPERATING RESULTS	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975
Ore milled (t)	500,000	510,000
Gold produced—kg.	3,800	3,724
Yield—(g/t)	7·60	7·30
Revenue per ton milled	R28·31	R25·52
Cost per ton milled	R10·62	R10·26
Profit per ton milled	R17·69	R15·26
Working revenue	R14,154,000	R13,016,000
Working costs	R5,310,000	R5,232,000
Working profit	R8,844,000	R7,784,000
Net sundry revenue	R351,000	R329,000
PROFIT before taxation and lease consideration	R9,195,000	R8,113,000
Taxation and lease consideration	R5,517,000	R4,811,000
PROFIT after taxation and lease consideration	R3,678,000	R3,302,000
Capital expenditure	R46,000	R65,000
Dividend declared	—	R5,400,000
DEVELOPMENT:		
Advanced (m)	1,446	1,193
Sampling results:		
Sampled (m)	177	121
Channel width (cm)	51	39
Av. value: g/t	26·9	18·0
cm.g/t	1,370	701
Payable:		
Percentage	80	64
Channel width (cm)	55	40
Av. value: g/t	28·0	22·1
cm.g/t	1,539	835

Dividend
Dividend of 45 cents per share was paid on 7th November, 1975.

Capital Expenditure
Amounts approved by the directors but not contracted for R140,000

ST. HELENA GOLD MINES LIMITED

Issued Capital R9,625,000 in shares of R1 each.

OPERATING RESULTS	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975
Ore milled (t)	560,000	575,000
Gold produced—kg.	6,384	6,499
Yield—(g/t)	11·40	11·30
Revenue per ton milled	R42·76	R39·22
Cost per ton milled	R13·01	R13·00
Profit per ton milled	R29·75	R26·22
Working revenue	R23,949,000	R22,555,000
Working costs	R7,288,000	R7,478,000
Working profit	R16,661,000	R15,077,000
Net sundry revenue	R377,000	R490,000
PROFIT before taxation and lease consideration	R17,038,000	R15,567,000
Taxation and lease consideration	R8,100,000	R8,425,000
PROFIT after taxation and lease *consideration*	R8,938,000	R7,142,000
Capital expenditure	R3,497,000	R1,331,000
Dividend declared	—	R10,106,000
DEVELOPMENT:		
(Basal Reef)		
Advanced (m)	1,828	1,683
Sampling results:		
Sampled (m)	309	279
Channel width (cm)	91	85
Av. value: g/t	31·7	14·2
cm.g/t	2,888	1,205
Payable:		
Percentage	59	65
Channel width (cm)	80	96
Av. value: g/t	53·3	16·9
cm.g/t	4,267	1,620

Dividend
Dividend of 105 cents per share was paid on 7th November, 1975.

Capital Expenditure

Commitments in respect of contracts placed	R5,470,000
Amounts approved in addition to commitments	R13,121,000

UNISEL GOLD MINES LIMITED

Stated Capital 28,000,000 shares of no par value.

Shaft
At the end of the quarter the shaft had reached a depth of 897·6 metres below collar. The first temporary pump station has been completed in the shaft.

General
Work has commenced on the Black hostel site.
Work is progressing on the installation of the permanent rock hoist, the extensions to the compressor house and shaft office buildings.

Expenditure
Expenditure on Shaft, Plant and Equipment and General Expenditure amounted to R1,374,000 (to date R12,953,000).

Commitments in respect of contracts placed	R8,929,000
Amounts approved in addition to commitments	R26,912,000

KINROSS MINES LIMITED

Issued Capital R18,000,000 stock in units of R1 each.

OPERATING RESULTS	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975
Ore milled (t)	385,000	390,000
Gold produced—kg.	2,849	2,769
Yield—(g/t)	7·40	7·10
Revenue per ton milled	R28·02	R24·80
Cost per ton milled	R11·30	R10·99
Profit per ton milled	R16·72	R13·81
Working revenue	R10,788,000	R9,671,000
Working costs	R4,350,000	R4,285,000
Working profit	R6,438,000	R5,386,000
Net sundry revenue	R159,000	R212,000
PROFIT before taxation and lease consideration	R6,597,000	R5,598,000
Taxation and lease consideration	R2,957,000	R2,005,000
PROFIT after taxation and lease consideration	R3,640,000	R3,593,000
Capital expenditure	R1,535,000	R1,901,000
Dividend declared	—	R4,320,000
DEVELOPMENT:		
Advanced (m)	1,151	1,048
Sampling results:		
Sampled (m)	396	122
Channel width (cm)	42	31
Av. value: g/t	28·0	34·1
cm.g/t	1,094	1,057
Payable:		
Percentage	65	78
Channel width (cm)	45	31
Av. value: g/t	32·5	39·9
cm.g/t	1,461	1,238

Dividend
Divdend of 24 cents per unit of stock was paid on 7th November, 1975.

Capital Expenditure
No. 2 Shaft was sunk 177·2 metres to a total depth of 1,875·5 metres and 1,247·2 metres of station cutting was completed on 15, 17 and 18 levels and the main pump station. 553 metres of raise boring for ore passes was completed. It is anticipated that the total cost of the shaft plus ancillary buildings, plant and equipment, etc. will be of the order of R21m of which R15,420,000 has been spent.
Commitments in respect of contracts placed R1,314,000

THE GROOTVLEI PROPRIETARY MINES LIMITED

Issued Capital R3,431,645 stock in units of 30 cents each.

OPERATING RESULTS	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975	Twelve months ended 31st Dec. 1975
Ore milled (t)	430,000	426,000	1,699,000
Gold produced—kg.	1,335	1,278	5,142
Yield—(g/t)	3·10	3·00	3·03
Revenue per ton milled	R11·70	R10·49	R11·05
Cost per ton milled	R8·45	R8·38	R8·03
Profit per ton milled	R3·25	R2·11	R3·02
Working revenue	R5,029,000	R4,467,000	R18,781,000
Working costs	R3,634,000	R3,570,000	R13,639,000
Working profit	R1,395,000	R897,000	R5,142,000
Net sundry expenditure/revenue	R2,000	R4,000	R64,000
PROFIT before taxation and lease consideration	R1,393,000	R893,000	R5,206,000
Taxation and lease consideration	R388,000	R211,000	R1,638,000
PROFIT after taxation and lease consideration	R1,005,000	R682,000	R3,568,000
Capital expenditure	R287,000	R340,000	R1,233,000
Dividend declared	R1,144,000	—	R2,288,000
DEVELOPMENT:			
(Kimberley Reef)			
Advanced (m)	1,043	1,369	4,599
Sampling results:			
Sampled (m)	514	399	1,665
Channel width (cm)	23	26	23
Av. value: g/t	33·5	35·8	39·9
cm.g/t	770	832	918
Payable:			
Percentage	64	71	71
Channel width (cm)	24	28	25
Av. value: g/t	42·9	41·3	46·1
cm.g/t	1,029	1,156	1,153

Dividend
On 12th December, 1975, Dividend No. 74 of 10 cents per unit of stock was declared to members registered at 31st December, 1975. Dividend warrants will be posted about 12th February, 1976.

Capital Expenditure

Commitments in respect of contracts placed	R203,000
Amounts approved in addition to commitments	R764,000

Ore Reserves
The ore reserves have been re-estimated at 31st December, 1975, with the following results:

	Gold Price per kg.	Metric Tons	Assay Value g/t	Est. Stoping Width Cms.
Main Reef	R3,500	2,400,000	4·0	125
Kimberley Reef	R3,500	3,300,000	4·4	127
Main Reef	R4,500	5,000,000	3·4	125
Kimberley Reef	R4,500	5,500,000	3·9	127

Adjustments have been made to the payable development metres and values to conform with those applied in the estimation of ore reserves and are based on R3,500 per Kilogram or approximately $125.19 per ounce.

All the above companies are incorporated in the Republic of South Africa.

E. Pavitt
L. W. P. van den Bosch } Directors.

London Secretaries: Princes House, 95 Gresham Street, London EC2V 7BS
12th January, 1976.

London Transfer Office: Granby House, 95 Southwark Street, London SE1 0JA.

Spooner sees better year

CHAIRMAN of Spooner Industries Mr. W. Broughton, says he is encouraged to believe the group has now turned a corner in its affairs, and that he will be able to report some better results for the current year.

During the past few weeks there has been an appreciable improvement in order intake, and the group is currently handling an increased volume of serious enquiries.

As reported on December 6 pre-tax profit for the year to September 30, 1975 fell sharply from £685,928 to £370,117. The dividend is 2.15p (2.216p) net.

Mr. Broughton points out that taking inflation into account, the reduction in physical volume of turnover was more than 20 per cent. and this created "grave" problems in several sectors of the group's business.

During the final months of the year work shortages were such that it was necessary to reduce the establishments at Cleckheaton, Eccles and Ilkley, he adds. The greatest economies had to be made at Cleckheaton where Garnett-Bywater serves the textile industry—while its wire and reclothing sides operated well throughout, an inadequate volume of machinery output, together with some unremunerative prices on two large export contracts, led to a trading loss of approximately £98,000 before charging redundancy payments.

Manufacturing subsidiaries overseas also experienced wide variations in demand but traded profitably, with Peter Coe-Spooner Pty. in Australia making a good recovery in the second half.

Meeting Ilkley, on February 6 at 11.30 a.m.

HARVARD STAKE IN UU

Harvard Securities, a private securities dealing company, has acquired a 23.6 per cent. holding (1.35m. Ordinary shares) in U.U. Textiles in a deal valuing the company at just over £72,000.

Harvard paid 1½p per share for the holding, but at the close of business yesterday U.U. shares were quoted at 3p (down ½p)—they reached a high of 10½p in 1975.

It is understood that the Harvard holding represents the majority of the shares held by the receiver and manager of Eldridge Stapleford and Co. Mr. J. L. Turner, chairman of U.U., said yesterday the group would shortly undergo "a reorganisation of some substance."

Astra Securities progress

IN LINE with budgeted forecast, group pre-tax profit of Astra Securities increased from £253,000 to £311,000 in the half year to October 31, 1975, and the directors are confident that the second half will show a continuing improvement. Profit for the year to April 30, 1975 was £548,000.

Stated earnings per 10p share for the six months advanced from 1.34p to 1.65p, and the interim dividend is effectively raised from 0.26p to 0.325p net. Last year's total was equal to 0.52p from earnings of 3.1p.

	Six months 1975 £000	1974 £000	Year 1974-75 £000
Group turnover	3,506	3,301	7,204
Operating profit	348	391	644
Bank interest	37	48	96
Profit before tax	311	253	548
Taxation	162	132	268
Dividends	29	24	48
Retained	120	97	233

Pre-acquisition profits of the new subsidiary, Zinc Alloy Rust-Proofing, are not included in the figures.

The business is that of sheet steel stockholding and ferrous scrap processing, electrical and mechanical engineering, and sherardizing.

SHARE STAKES

Avondene Properties hold 1,496,730 Braid Group Ordinary shares, which have acquired full or partial voting rights equivalent to 22.47 per cent. of the Ordinary capital.

Wren Trust has sold 200,000 Marshall Cavendish Ordinary, leaving its total holding at 3,370,439 shares. British Printing has sold 100,000 Marshall Cavendish leaving its holding at 3,263,576 shares.

Hilleshog Fro AB bought 6,000 Miln Marsters Group Ordinary on December 19 and now beneficially owns 344,000 shares (24.4 per cent.).

BIDS AND DEALS

Acquisitions by Telefusion

Telefusion, the retailing and TV manufacturing and rental group, has paid £140,000 cash for Fairview (Television) which operates 10 Trident Discount Centres in Lancashire, Cheshire and Cumbria. It has also conditionally agreed, subject to Telefusion shareholders' approval, to acquire the 50 per cent. of the capital of Combined Precision Components not already owned, for £225,000.

CPC operates 14 Trident Centres through a subsidiary. After both deals have been completed Telefusion will wholly own 112 Trident Centres.

Fairview, which was 61.6 per cent.-owned by a number of directors of Telefusion—the remainder by family and associates—made pre-tax profits of £61,000 on a turnover of £2.28m. for the year ending January 25, 1975. Turnover and profits of the Trident division of CPC were £4.02m. and £127,000 respectively for 11 months to March 19, 1975. In their current years, both CPC and Fairview are expecting only a small profit.

The attraction of buying control of the Trident Centres is that the businesses can be absorbed into Telefusion's existing administration, with no additional overheads. And profitability of the two companies will improve following closure of the two respective head offices.

CPC has also agreed to sell the component section of the group to Mr. R. A. K. Duckett, a director of Telefusion, and certain of his family interests, for £222,000 cash. That business in the last 11 months accounting period made profits of £39,000 on turnover of £403,000.

MAGNET-SOUTHERNS

The offers on behalf of Magnet and Southerns for the capitals of Magnet Joinery and Southerns-Evans have been accepted as follows—Magnet Ordinary 11.2m. shares (91.01 per cent.); Southerns Ordinary 13.07m. (93.25 per cent.); Magnet Preference 710,285 (93.70 per cent.); Southerns Preference 355,606 (97.64 per cent.). The offers which were declared unconditional on December 13 remain open. Magnet and Southerns will in due course compulsorily acquire the outstanding minorities.

BABCOCK EXTENDS ACC BID

Babcock International Inc., a subsidiary of Babcock and Wilcox the U.K. engineering concern, has announced the final extension of its offer ($29 per share) for American Chain and Cable to January 30. Acceptances at the moment amount to roughly 93.4 per cent. of the issued capital. While there is no procedure similar to that in the U.K., where companies may apply to purchase compulsorily all outstanding shares at a certain level of acceptances, Babcock will be able to eliminate the minority through obtaining either a "long-form merger" or "short-form merger"; the latter applies after 95 per cent. acceptances and the former at over 67 per cent.

CAVENHAM-GRAND UNION

Cavenham reports that its Cavenham (U.S.A.) subsidiary has received about 1.69m. Grand Union Company shares under its offer for 1.9m. shares. The company already holds 3.2m. shares.

Under the terms of its present offer, Cavenham could accept less than 1.9m. Grand Union shares and will do so if it receives enough to permit it to file consolidated Federal tax returns with Grand Union.

It would have to receive about 1.77m. to be able to consolidate on the basis of the number of Grand Union shares now outstanding.

TRIANCO

The formal offer document regarding Central and Sheerwood's recommended offer for Trianco Group has been sent out. C and S, which already owns 48.6 per cent. of the Ordinary, is offering 7.02p cash for each Trianco 5p Ordinary and 26p cash for each 6 per cent. Cumulative Participating Preference share of 50p.

MINING NEWS

Rand devaluation rescues gold profit

BY KENNETH MARSTON, MINING EDITOR

THE MESSAGE of the first of the December quarterly reports from South Africa's gold mines is simply that all would have reported sharply lower profits for the past three months had it not been for the Republic's 17.9 per cent. devaluation towards the end of September. As it is, they have earned more in terms of rands for their production.

The point is illustrated by the largest of this column's tables to-day which shows that the mines in the Union Corporation group received around $134 per ounce for their production in the December quarter compared with some $152 in the previous three months. As a result of devaluation, however, the lates price per ounce received in terms of rands has risen to around R118 from R108 in the September quarter.

What now remains to be seen is whether the gold price will hold at its current level of about $136 and how well mine costs can be contained in the face of inflationary pressures which have been added to by devaluation. On the latter score it is notable that the revised estimate of the cost of the new No. 2 shaft at Kinross is R21m. compared with R14m. given by the chairman in March, 1973.

Among the latest quarterly profits, which are detailed below, St. Helena has come out well thanks to a useful increase in its rand gold price revenue in the face of a lower gold output.

The marginal Grootvlei has benefited from increased production of rather better grade ore. Costs have risen by 48 cents to R12.04 per ton milled at Leslie which now has only four to five years of remaining economic operations at current gold prices.

	Dec. qtr. R000	Sept. qtr. R000	June qtr. R000
Bracken	4,499	4,451	4,611
Grootvlei	1,395	893	1,368
Kinross	6,397	5,508	6,221
Leslie	1,818	1,445	1,908
Marievale	1,249	1,059	1,320
St. Helena	17,038	15,567	17,155
Winkelhaak	9,195	8,112	8,648

'Johnnies' group

In the Johannesburg Consolidated group, Western Areas has received an average gold price of $134 per ounce during the three months to December 31 compared with just on $160 in the previous quarter.

But the dollar revenue shortfall has been exactly matched by the exchange gain in rands following devaluation with the result that, helped by a reduction in costs, latest operating profits have risen.

Based on a pay limit of $143 per ounce for gold, ore reserves are now put at 9.28m. tons containing 7.8 grams gold per ton. A year ago they amounted to 12.46m. tons grading 8.1 grams and the fall in tonnage is ascribed to a reclassification of ore blocks unavailable for stoping at present.

Randfontein has also made a higher working profit and ore reserves at its new Cooke mine are now estimated at 1.21m. tons grading 14.8 grams; gold share followers will know that in the case of South Africa's gold mines ore reserves represent the amount of ore that is proven and ready for mining and not the far larger total amount of ore believed to be present in the mine.

	Dec. qtr. R000	Sept. qtr. R000	June qtr. R000
Randfontein	7,232	6,716	8,611
Western Areas	7,681	7,309	7,525

As already announced, the group's new Otjihase copper mine in South-West Africa started trial milling on October 24 and it has begun shipping concentrates. Technical problems affected milling operations during the past quarter, but it is expected that normal milling will be achieved in the second quarter of this year.

UNION CORPN. PRICE PER OUNCE

	December Quarter (a) U.S.$	Rand	September Quarter (b) U.S.$	Rand
Bracken	132.36	115.09	152.74	109.10
Kinross	135.44	117.77	152.08	108.63
Leslie	138.33	120.23	152.22	108.73
Winkelhaak	133.23	115.85	152.90	108.71
Grootvlei	134.74	117.16	152.20	108.71
Marievale	135.93	118.20	151.64	108.35
St. Helena	134.18	116.68	151.06	107.91

(a) Rate of exchange: R1=1.15 U.S.$. (b) R1=1.40 U.S.$.

BULLION FALL HITS ASA

The fall in the price of bullion over the past few months and consequently in the gold shares held by ASA, had led to a cut in the company's net asset value in the year ended November 30 to R155.4m. (£87.55m.) from R230.4m. in the previous year. The per share value, after allowing for the two-for-one stock split last May, comes out at R16.19 (£9.12) against R26.08 in 1973-74.

The company's annual report shows that 84.1 per cent. of its assets were gold shares, the major constituents being West Driefontein (13.4 per cent.), Vaal Reefs (11.2 per cent.), East Driefontein (10.2 per cent.), St. Helena (9 per cent.), Southvaal (7.1 per cent.) and Winkelhaak (6.5 per cent.).

Of the other South African mining companies, Transvaal Consolidated Land (4.8 per cent.) remains the major investment with De Beers in second position with 3.6 per cent. The shares were £23.75 cum premium in London yesterday.

JAVELIN SUES FOR £428M.

A suit has been filed in the Federal Court of Canada by Canadian Javelin seeking to make null and void the Newfoundland Government's action last June which revoked the company's right to develop its Julian Lake iron ore prospect in the Labrador region of the province. Compensation of $0.75m. (£364,000) was offered by the Government compared with Javelin's claim that it had spent $3.4m. (£1.65m.) on the property.

The suit also asks the Court to repeal the Minerals and Mining Rights Tax act of 1975 which substantially raised taxes on mining operations in the Province. Also involved in the suit are Dominion Jubilee Iron Corporation in which Javelin has a 33.5 per cent. interest and Newfoundland Labrador Corporation, a 99 per cent. owned Javelin subsidiary.

Total damages of $882.1m. (£428m.) are asked for by the three companies, $465.1m. for the Government's alleged failure to provide the companies with the surface rights to the Julian Lake prospect and $417m. in damages for the publication by the Government of confidential information furnished by the companies.

Javelin is also seeking additonal damages of $16m. resulting from alleged breaches of contract by the Government in respect of another of the company's iron ore projects at Wabush, Labrador. Estimates of the Julian deposit range up from 600m. tons averaging 34.5 per cent. iron to as much as 1bn. tons.

Gem sales of R793m for 1975

SALES of rough gem and industrial diamonds handled by Central Selling Organisation on behalf of De Beers and world producers have amounted to R793.5m. for 1975 compared with R849.1m. in 1974; the respective U.S. dollar figures are $1.07bn. and $1.25bn.

Diamonds are sold in terms of U.S. dollars and the past year's rand figure takes into account sales made at the higher exchange rate following South Africa's devaluation in September; the higher rate thus applied to three out of the ten yearly "sights."

The latest figure, which reflects the overall increase of 1.55 per cent. in gem prices in January 1975 will be some way below some expectations, but it marks a continued recovery from the sharp down-turn which occurred in the second half of 1974. At present the position appears to be that sales of small gems are still moving while those of the larger stones remain rather slow.

	Six months to June Rm.	Dec. Rm.
1975	[illegible]	[illegible]
1974	[illegible]	[illegible]
1973	[illegible]	[illegible]
1972	[illegible]	[illegible]
1971	[illegible]	[illegible]
1970	[illegible]	[illegible]
1969	[illegible]	[illegible]
1968	[illegible]	[illegible]

* Record

The outlook for 1976 points to a further overall recovery which would take the rand total above the 1974 figure. It will be helped by a longer period of the more favourable dollar exchange rate coupled with the latest gem price increase of 3 per cent. which becomes effective from the next "sight" on January 19.

More important, however, is the hoped for world economic recovery which is a vital factor in diamond sales; the major buying areas are the U.S., Japan and West Germany, the countries which are expected to lead the recovery. Thus, barring the emergence of further African political problems, De Beers could look for a good year. The shares rose 12p to 330p in front of the sales news yesterday.

RIO ALGOM GETS FEW LORNEX

The Rio Tinto-Zinc group's per cent. owned Canadian Rio Algom announces that its ownership of the outstanding common shares of Lornex Mining has increased to fractionally more than 68 per cent. from 50 per cent., following the expiration on December 31, of its cash offer to purchase all of the outstanding common shares of Lornex at a cash price of $8 per share.

MINING BRIEFS

ANGLO AMERICAN CORPORATION—Coal division sales outputs for December (figures in tonnes).

South Africa—Bituminous: Amcoal Collieries of SA 463,294. Arnot 491,260. Bisbok 29,269. Coronation, New Largo 40,244. South African Estates 173,228. Springbok 137,5... fontein 91,253. Vryheid Coronation Coke: 41,134. Zululand Natal's Colliery (coking coal) 25,623. Natal Anthracite 32,944. Rhodesia—Wankie 272,174. Swaziland—Swaziland Collieries. Botswana—Morupule 13,314. Total output 1,594,751 (November 2,18...

EX-LANDS NIGERIA—December ... weeks: Tin production 39 tonnes ... 44 tonnes).

GOLD AND BASE METAL ... Output of concentrates (72 p... grade) for November: Tin 36 ... Columbite 2 tonnes. Eleven months: Tin 348 tonnes, Columbite ... Same period 1974: Tin 448 tonnes ... bite 8 tonnes.

JOHANNESBURG CONSOLIDATED INVESTMENT GROUP

(All companies mentioned are incorporated in the Republic of South Africa)

MINING COMPANIES' REPORT FOR THE QUARTER ENDED 31ST DECEMBER, 1975 WITH COMPARATIVE FIGURES FOR THE PREVIOUS QUARTER

RANDFONTEIN ESTATES

THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED

ISSUED CAPITAL: R10,827,106 (Divided into 5,413,553 shares of R2 each, fully paid)

OPERATING RESULTS

	Quarter ended 31.12.75	30.9.75	Year ended 31.12.75
Gold			
Ore milled—tons	230,000	220,000	837,000
Gold produced—kilograms	3,105	2,970	11,654
Yield—grams per ton	13.5	13.5	13.9
Total revenue—per ton milled	R47.94	R48.39	R49.14
Working cost—per ton milled	R16.93	R17.90	R16.94
OPERATING PROFIT—PER TON MILLED	R31.01	R30.49	R32.20
FINANCIAL RESULTS (R000s)			
Revenue from gold	R10,683	R10,385	R40,199
Working cost	3,894	3,938	14,151
Working profit	6,789	6,447	26,018
Tribute revenue	117	138	393
Insurance claim	117	—	117
Net sundry revenue	108	122	426
OPERATING PROFIT	7,131	6,707	26,954
Plus: Net interest received (payable)	101	9	(51)
PROFIT	R7,232	R6,716	R26,903
Capital expenditure	R4,335	R4,141	R14,508
Dividends declared	Nil	Nil	Nil

NOTE: A provision for taxation is not required as the Company has an estimated loss for tax purposes.

COOKE SECTION

NO. 1 SHAFT SYSTEM

DEVELOPMENT

	Quarter ended 31.12.75	30.9.75	Year ended 31.12.75
Advanced—metres	2,795	2,494	10,028
Sampling results: Sampled—metres	779	765	2,587
Channel width—centimetres	196	204	193
Ave. value—grams/ton	21.9	24.6	21.7
—centimetre-grams	4,292	5,016	4,318

The reef development values shown in the above tabulation are the actual results of sampling development work on reef. No allowance has been made for modifications which may be necessary when computing ore reserves.

ORE RESERVES AS AT 31st DECEMBER

	1975	1974
Tons	1,211,415	380,163
Value—grams per ton	14.8	15.2
Width—centimetres	218	234
Centimetre—grams	3,226	3,557

The current ore reserves are related to a pay limit calculated on the basis of a gold price of R4,012 per kilogram (1974—R3,437 per kilogram).

NO. 2 SHAFT SYSTEM

Shaft Sinking

The main shaft advanced from 951 m to 1,046 m during the quarter, the ventilation shaft having been sunk to its final depth of 896 m in the previous quarter.

CAPITAL EXPENDITURE

Net expenditure on mining assets during the quarter amounted to R4,334,901 (including interest capitalised of R67,782), bringing the total net capital expenditure at 31st December, 1975 to R81,927,928 (including interest capitalised of R1,354,288). This total includes expenditure at Cooke Section amounting to R45,560,492. At 31st December, 1975 there were capital commitments amounting to R4,050,000.

For and on behalf of the board,

B. A. SMITH | Directors
J. C. LINDE |

OTJIHASE

OTJIHASE MINING COMPANY (PROPRIETARY) LIMITED

AUTHORISED CAPITAL: R12,000,000

PROGRESS REPORT

Trial milling commenced on 24th October, 1975 and shipment of concentrates has begun.

Problems with the tailings thickener and delays in the development programme adversely affected the build-up of tonnage milled, but it is expected that normal milling operations will be achieved in the second quarter of 1976.

The pyrite recovery section of the metallurgical plant will be commissioned during January, 1976.

All other major construction work has been completed.

CAPITAL EXPENDITURE

Capital expenditure during the quarter ended 31st December, 1975 amounted to R4,328,777, bringing the total of capital expenditure to R33,225,555.

For and on behalf of the board,

H. DALTON-BROWN | Directors
B. A. SMITH |

WESTERN AREAS

WESTERN AREAS GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: R40,386,950 (Divided into 40,386,950 units of stock of R1 each)

OPERATING RESULTS

	Quarter ended 31.12.75	30.9.75	Year ended 31.12.75
Gold			
Ore milled—tons	852,000	879,000	3,447,000
Gold produced—kilograms	5,538	5,713	22,380
Yield—grams per ton	6.5	6.5	6.6
Total revenue—per ton milled	R24.60	R25.89	R24.46
Working cost—per ton milled	R16.07	R18.13	R15.55
OPERATING PROFIT—PER TON MILLED	R8.53	R7.97	R8.91
FINANCIAL RESULTS (R000s)			
Revenue from gold	R20,831	R20,972	R83,825
Working cost	13,695	14,172	53,604
Working profit	7,136	6,800	30,221
Sundry revenue	127	115	483
OPERATING PROFIT	7,263	6,915	30,704
Net interest receivable	418	394	1,486
Profit before taxation	7,681	7,309	32,190
Taxation	1,410	625	2,035
PROFIT	R6,271	R6,684	R30,155
Capital expenditure	R2,317	R2,391	R8,560
Dividends declared	R12,898	Nil	R20,956

NOTE: The above results reflect operations at both Western Areas and Elsburg sections during the period.

DEVELOPMENT

	Quarter ended 31.12.75	30.9.75	Year ended 31.12.75
Advanced metres	7,290	8,127	29,008
Sampling results: Sampled—metres	1,732	2,165	7,231
Stope width—centimetres	170	177	164
Ave. value—grams/ton	8.9	9.4	9.0
—centimetre-grams	1,513	1,664	1,476

SAMPLING RESULTS: INDIVIDUAL REEFS

	Quarter ended 31.12.75 Total All Reefs	Ventersdorp Contact Reef	Elsburg Massive Reefs	Elsburg Individual Reefs	Quarter ended 30.9.75 Total All Reefs	Ventersdorp Contact Reef	Elsburg Massive Reefs	Elsburg Individual Reefs
Sampled—metres	1,752	102	927	723	2,163	231	1,125	807
Value—grams/ton	8.9	18.7	8.6	8.1	9.4	18.0	8.5	9.0
Width—centimetres	170	155	165	178	177	145	179	184
Centimetres-grams	1,513	2,899	1,419	1,442	1,664	2,610	1,486	1,656

The reef development values shown in the tabulations are the actual results of sampling development work on reef. No allowance has been made for modification, which may be necessary when computing ore reserves.

ORE RESERVES AS AT 31st DECEMBER

	1975	1974
Tons	9,284,734	12,465,444
Value—grams per ton	7.8	8.1
Width—centimetres	183	180
Centimetre—grams	1,427	1,458

The reduction in the ore reserve is due to a re-classification of blocks unavailable for stoping at present.

The current ore reserves are related to a pay limit calculated on the basis of a gold price of R4,012 per kilogram (1974—R3,437 per kilogram).

DEVELOPMENT TO S.V.3. SHAFT

Development towards the proposed S.V.3 shaft was recommenced during the quarter, although progress is still being hampered by the intersection of water-bearing fissures. Progress to date in all ends has totalled 1,627 metres of which 59 metres were done during this quarter.

OPERATIONS

The reduced mill throughput is attributable to two major power failures which occured during the quarter and a further deterioration in the supply of labour.

DIVIDENDS

Dividend No. 31 of 32 cents per unit of stock was declared on 4th December, 1975 payable to members registered at the close of business on Friday 19th December, 1975.

CAPITAL EXPENDITURE

Net expenditure on mining assets during the quarter amounted to R2,311,112, with other capital expenditure during the quarter amounting to R5,396, bringing the total net expenditure on capital account at 31st December, 1975 to R212,685,842. At 31st December, 1975 there were capital commitments amounting to R4,465,000.

For and on behalf of the board,

P. A. VON WIELLIGH | Directors
B. A. SMITH |

ELSBURG

ELSBURG GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: R30,203,000 (Divided into 30,203,000 units of stock of R1 each)

RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 1975

Stockholders are advised to study the operational results published by Western Areas Gold Mining Company Limited.

	Quarter ended 31.12.75	30.9.75	Year ended 31.12.75
DIVIDENDS DECLARED (R000's)	R5,889	Nil	R9,815

For and on behalf of the board,

P. A. VON WIELLIGH | Directors
B. A. SMITH |

12th January, 1976.

Copies of the above Reports are obtainable from the London Secretaries :—Barnato Brothers Limited, 27, Austin Friars, London EC2N 2EY

Midland Bank Base Rate

Midland Bank Limited announces that with effect from January 13th 1976, its Base Rate will be 10½%, and that its Deposit Rate on amounts lodged at its branches subject to 7 days notice of withdrawal will be 6½% on balances of all amounts.

Savings Accounts will earn 6½% on balances of all amounts.

Midland Bank

Coutts & Co

Messrs. Coutts & Co. announce that, fo[r] balances in their books on and after the 13t[h] January 1976 and until further notice the Base Rate for lending is 10½% per annum. Th[e] Deposit Rate on all monies subject to seve[n] days' notice of withdrawal is 6½% per annu[m]

INTERNATIONAL COMPANY NEWS + EURO MARKETS

...ublic offer ...poted for ...vis shares

...y de Jonquieres

NEW YORK, Jan. 12.

A YEAR of fruitless ... to find a buyer for the ...y of the shares in the ...y, the court-appointed ...for Avis has proposed that ...ck be sold off to the public in a series of offer...

...rustee, Mr. Richard Joyce said to-day that he has ...ed a stock sales plan to ...eral judge presiding over ...se, and that if it is ...d, it could go into effect ...e next few months.

...rustee has custody over ...vis shares, or 61 per cent. ... car rental company's ... which used to belong to ...tional Telephone and ...ph, together with an issue ...erred stock with a par ...f $5m.

...rship of the shares was ...red to the trustee in the ... of 1974 after ITT was to meet a deadline set by ...ustice Department for ...ure of Avis. The divesti...is required as part of a ...ti-trust settlement which ... ITT to retain ownership ...ford Insurance.

...Smith said that he had ...touch with half a dozen underwriting houses to the plan, though the final ... remained to be settled. ...difficult to judge how the ...e public would receive ...an, he said, but he ...d a series of sales, since ...uld facilitate the absorp... the shares by the market. ... last year, Mr. Smith said ... would not sell off the ...ares for less than $11.63 ...re during the following ...ths. His restrictions ex... Thursday, and Avis' ...price is currently about

...e the appointment of the ... a number of companies ... an interest in buying ...n March 1974, American ... offered $25 per share ... company, but later with...s offer. Other companies expressed some interest ...ar rental firm were UAL, ...nternational, and INA, deals were concluded.

...rtamina ...bt ...youts

...mish McDonald

JAKARTA, Jan. 12.

...DONESIAN Government ...it U.S.$1.23bn. between ...und September last year ... contracted by its errant ... company Pertamina, ...pects to pay another ...m. by the end of this

... figures, given to the ... Bank, provide some of ... hard information about ...ensions of the Pertamina ... crisis which shook ... last year.

... Indonesia, which ... management of Per...s debts last March, repaid ...m. that month, and ...2bn. between April and ...ber. Estimated debts due before April 1 next ...$600m.

C. Itoh and Ataka plan 'business co-operation'

BY CHARLES SMITH

TOKYO, Jan. 12.

C. ITOH and Ataka respectively Japan's fourth and ninth largest general trading companies, to-day announced plans for a business co-operation in an evident attempt to stave off some of the damage done to Ataka's credit-worthiness by the problems confronting its American subsidiary.

The announcement, made at the earliest possible moment after an outline agreement was reached last week between the two companies gives no details about the precise type of co-operation envisaged. Both companies, however, hinted in a Press conference to-day that their relationship could develop into a full scale merger—the first of its kind among members of the top ten trading companies.

The combination of Ataka and C. Itoh would have had a turnover of around Y7,000bn. in 1974, putting it close behind Mitsui and Mitsubishi, the two top trading companies, and a long way ahead of the next biggest trading concern. The two companies are complementary, so far as business interests are concerned, since Ataka is strong in steel (particularly as a distributor within Japan for Nippon Steel) while Itoh is strong in textiles, oil and other products.

Both companies, however, are relatively heavily staffed and could expect to encounter personnel problems in carrying through a full scale merger. Ataka's president said to-day that it would be too late for the two companies to co-ordinate employment policies in 1976 since Ataka had already made its recruitment plans for the year. In future, however, employment strategies might well be co-ordinated.

The Ataka-C. Itoh tie-up is understood to have been proposed by Ataka's leading banker, Sumitomo Bank, after Ataka approached it some two weeks ago requesting help in overcoming the problems faced by its U.S. subsidiary, Ataka America. Ataka America is owed sums variously estimated at between $90m. and over $200m. (the higher figure has been officially denied, but is still remoured) by a virtually bankrupt Canadian refinery company, Newfoundland Refinery Corporation.

Ataka evidently believed at first that it could tide over Ataka America's problems by drawing on its own normal lines of credit. Just before the New Year holiday, however, the company appears to have taken a graver view of the situation and to have approached Sumitomo Bank for help.

The bank, according to some sources, first suggested the Sumitomo group's own trading company, Sumitomo Shoji, as a partner for Ataka but fell back on C. Itoh afer Sumitomo Shoji had shown a marked lack of interest in the proposal.

The Ataka-C. Itoh tie-up has the official blessing of Sumitomo Bank and of Kyowa Bank, both of whom have promised management support, if necessary, in carrying the co-operation plan. Ataka also went out of its way to-day to stress that Nippon Steel on whom it depends for much of its domestic business, is in favour of the plan.

The immediate purpose of the tie-up announcement between Ataka and C. Itoh is quite clearly to improve Ataka's international credibility and to aid the company in raising the funds that may be required to get its U.S. subsidiary out of trouble. A long range aim could be to shore up the reputation of Japanese trading companies as good financial risks. The top ten trading companies have for some months past ranked as the top ten holders of bad debts in Japan.

A company ranking only some two or three places below Ataka in the league table, the Osaka-based Chori company, had to be rescued by its banks last autumn after running into trouble in the property market. Ataka's problem, however differs from that of Chori and other recently troubled trading companies in that difficulties have arisen outside Japan.

Solution for Gloeggler

BY GUY HAWTIN

FRANKFURT, Jan. 12.

BANKERS AND public officials have finally hammered out a solution to the Gloeggler group's severe liquidity problems. The remedy, however, is a drastic one and, although the concern's leading companies have been saved, West Germany's leading textile group will effectively cease to exist.

Two of the group's major subsidiaries alone — Erba fuer Textilindustrie Erlangen and AKS Augsburger Kammgarnspinnerei—will, between them, require an injection of DM70m. Of this some DM25m. to DM30m. will come from the state of Bavaria through the state institute for reconstruction finance.

At the same time, the group's creditor banks have agreed a moratorium on debts which exceed DM32m. and lines of credit will be made available to a majority of the group's member companies to help them through the crisis. Numbered among the creditors are many important West German banks, including the "Big Three," the Deutsche Bank, Commerzbank and the Dresdner Bank.

The major creditor is the Bank fuer Gemeinwirtschaft which is owed DM7m. But many Bavarian banks are on the list as well as American Express Bank and the Schweizerischer Bankverein.

One result of the settlement is that the group's small shareholders appear set to lose their entire investments. Dealings in the group's quoted subsidiaries were suspended on Friday and under the agreement, reached in Munich, the capital of a number of the leading subsidiaries will be reduced to virtually zero and new shares will be issued. Once-burned small investors, who are relatively few in number, are not expected to subscribe.

In all 14 banks are shown as creditors to the group. However, it should be pointed out that the group had a larger number of bankers due to the relatively independent manner in which the subsidiaries were run. Bankers were not changed following the acquisition of majority holdings in the various subsidiaries by the Gloeggler concern, and house bankers maintained their old ties.

Despite the settlement things still look uncertain for a couple of the group's subsidiaries—SWA Mech. Baumwollspinnerei and HFI Hanfwerke Fuessen-Immenstadt—which have more severe problems than the other subsidiaries. A decision on these two companies will be taken next week.

Another Gloeggler subsidiary, Val. Mehler, has been helped out of its difficulties by the State of Hessen, where it provides 4,000 jobs. In future all of the Gloeggler subsidiaries will operate as the independent concerns that they were before the group was assembled by acquisition.

Neither Herr Hans Gloeggler, the founder of the group, nor his son Dr. Axel Gloeggler, took part in the last rounds of talks. Future Gloeggler family participation in the management of the companies is thought unlikely.

Sixty-five-year-old Herr Hans Gloeggler, who is reported to be ill, assembled the group in a series of stock market deals and brought it into being in its present form in 1969. By the end of 1974 it employed over 12,000 workers and had a net external turnover of over DM910m.

The Gloeggler group's financial crisis came as something of a shock both to bankers and the stockmarket. It had been thought that the group was somewhat overstretched for some time but the full extent of the problems did not become apparent until a few weeks ago.

A contributory factor to the difficulties was the lack of success of two major stock market deals this year. The group, which has always been active in the market, tried to put together a substantial minority holding in Philip Holzmann, one of the leading West German construction concerns — a field in which Herr Gloeggler had considerable experience.

It failed to achieve its targeted 25 per cent. stake and had to sell off a substantial proportion of its holding at a loss. Gloeggler also took a loss on dealings in AEG-Telefunken shares which were somewhat volatile during the whole of 1975.

Latest $ Eurobond issue made at 8½%

BY MARY CAMPBELL

THE KINGDOM of Norway is raising $100m. for five years in a Eurobond issue for which Hambros is the lead manager, it was announced yesterday. The indicated coupon is 8¼ per cent., a quarter of a point less than is being offered by the European Coal and Steel Community on its current $65m. five-year issue and a half a point less than on the British Gas Corporation's $40m. issue, which is also for five years.

The main factor behind Hambros's decision to go for an 8¼ per cent. coupon is clearly the rapid and continuing fall in interest rates. The rate on five year certificates of deposit issued in London by top U.S. banks has fallen from some 9-9¼ to 8¼-½ per cent. during the last month. Hambros is also basing its judgment on its experience as lead manager for Norsk Hydro's $50m. issue.

This closed yesterday evening at 100½ per cent. after being oversubscribed more than three times. Admittedly the coupon on that issue — which was announced on December 29—is 9¼ per cent., but the maturity is ten rather than five years and Eurobond investors still retain considerable preference for five-year maturities. The Kingdom of Norway also has the advantage of a triple-A rating in the U.S.

Also new in the market is a $20m. issue for the Japanese Bank, Nippon Fudosan. Maturity is five years, indicated coupon 9¼ per cent., and lead manager Kuwait Investment Company. Market sources have suggested that the Industrial and Mining Development Bank of Iran might also come to the market soon.

Also in the dollar sector, the size of the Province of Quebec's issue has been increased from $50m to $75m.

In Canadian dollars, General Motors Acceptance Corp of Canada has announced plans for a Can.$60m. two tranche issue. One tranche of Can.$30m. will mature in 1982 and the other in 1986. Lead manager is Morgan Stanley International. Credit Foncier Franco Canadien is raising Can.$20m. for five years in an issue managed by A. E. Ames. Indicated coupon is 9¾ per cent.

In the Netherlands, the World Bank is raising Fls.100m. for seven years on a coupon of 8 per cent. at par via Algemene Bank Nederland.

Latest issue in the D-mark sector is DM100m. for Norpipe, a joint subsidiary of the Norwegian Statoil and the Phillips group. Indicated coupon is 8 per cent., maturity is eight years and lead manager Deutsche Bank. The Kingdom of Denmark's DM100m. six-year 8¼ per cent. issue has been priced at 99¼ per cent.

Pfalz Bank closure talks

BY NICHOLAS COLCHESTER

BONN, Jan. 12.

TALKS BEGIN to-morrow between the West German banking authority in Berlin and Fritz H. Haasé, the founder and chief executive of Pfalz-Kredit-Bank, whose doors were closed by the banking authority last Friday night. Their outcome will decide whether the bank ever opens again.

After being founded as a hire purchase bank in 1960, the Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m., making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM173m.

The authority closed the Pfalz Bank because it claimed that the bank's position was endangered by losses made on loans. Herr Haase has already complained strongly about the decision, calling it "underhand" and claiming that "it is designed to silence a discomforting competitor." He admitted mistakes but claimed that he had been "run over by the bank's growth." This growth was promoted with aggressive advertising and favourable interest rates on deposits, together with Swiss-style numbered bank accounts. To-morrow's negotiations are expected to be lively.

Whatever happens, the Pfalz Bank's depositors will get their money back. If the shutdown becomes permanent the Federal Banking Association will provide the total repayment promised by the insurance scheme developed as a result of the Herstatt Bank's spectacular failure in June, 1974. This scheme is not yet officially in force but the association announced over the week-end that it would apply to Pfalz creditors.

The bank has its headquarters in Kaiserlautern, and has branches in Duesseldorf, Cologne, Munich and Stuttgart.

Alahli stake in Schuback

BY NICHOLAS COLCHESTER

BONN, Jan. 12.

THE ALAHLI Bank of Kuwait has taken a 35 per cent. interest in Bankhaus Johannes Schuback und Soehne, an old established Hamburg Banking partnership which specialises in short-term import and export financing.

The Schuback company was founded in 1757 as a merchant bank and is still in the hands of the founding family. It reorganised itself recently into two halves—a trading operation which remained mainly in the family's hands and a banking business into which new partners were admitted. The two new limited partners, each with 35 per cent. of the banking firm, are an investment subsidiary of the Alahli bank and the Vereinsund Westbank, another Hamburg banking concern.

Atlas Copco belies pessimism

By William Dullforce

STOCKHOLM, Jan. 12.

THE Atlas Copco Group, Swedish compressed air equipment manufacturers, will show a profit growth of some 14.7 per cent. for 1975 after a 14.3 per cent. rise in turnover to Kr.3.4bn. (£375m.). A preliminary report issued to-day puts group profits before extraordinary write-offs and taxes at approximately Kr.420m. (£46.7m.), compared with Kr.366m. for 1974. The parent company is expected to show an unchanged profit of around Kr.106m.

The profits growth is well below the 34 per cent. reached in 1974, which the board believed last February would be repeated. But it also belies the pessimistic forecast made in August of a further decline in profit levels during the second half of 1975. Instead the group turned in a profit of some Kr.215m. in the second half compared with Kr.205 in the first six months, which (allowing for inflation) implies that profits were maintained.

The board has also decided to ask shareholders to approve at an extraordinary general meeting in February an increase in share capital from Kr.258.7m. to Kr.310.4m and a rise in the company's legal reserve by Kr.51.7m. to Kr.153.8m., in order to maintain the relation between equity and liabilities. A preference issue of 2,069,550 shares will be made at Kr.50 per share with shareholders allowed to subscribe for one new share for every five held.

Belgian profits shortfall in 1976

BY DAVID CURRY

BRUSSELS, Jan. 12.

NET PROFITS of Belgian industrial companies to be reported in 1976 will be almost halved over the previous year, according to the Kredietbank. The bank adds that "most firms" in the steel, non-ferrous, basic chemicals and paper sectors operated at a loss in 1975.

While, on average, companies paid rather less for raw materials in 1975 and interest rates fell back, wage costs per unit were 26 per cent. up on 1974 and gross wages were 14 per cent. up as a result of the indexation of wages to the consumer prices index. Because of falling orders, productivity was 5 per cent. down.

Company tax was hoisted from 42 to 48 per cent. and the VAT refund on capital goods postponed. Only a limited tax exemption was granted for additional investment in the second half of the year, although the limitation in respect of deduction of interest on loans was abolished.

Kredietbank points out that industry faces further burdens in the shape of the compulsory retirement of trainees, the early retirement pension, and the non-deductible 4.8 per cent. levied on the portion of 1975 profits exceeding 110 per cent. of average taxable earnings for 1972-74—all features of the government's economic programme from which wage restraint has largely disappeared.

For listed companies, Kredietbank foresees only a 25 per cent. profits decline in 1976 sustained by a relatively strong performance from financials and utilities. But the fall in dividend payments will be accentuated by the dividend freeze at the highest level of 1972, 1973 or 1974 payouts—another aspect of the Government's policy.

The report is more optimistic about likely profitability in 1976 for results reported in 1977. It sees a 10 per cent. improvement in production against a 2-4 per cent. rise in industrial wholesale prices.

Arco, Atlantic Richfield

Financial Times Reporter

LOS ANGELES, Jan. 12.

ATLANTIC RICHFIELD and Arco Pipe Line Company, a wholly-owned subsidiary, have filed a registration statement with the Securities and Exchange Commission covering a proposed public offering of $200m. of Guaranteed Notes, due in 1984. The Notes will be unconditionally guaranteed by the parent company, Atlantic Richfield, said Mr. Robert O. Anderson, chairman.

Smith Barney and Co. and Merrill Lynch Pierce Fenner and Smith will co-manage a group of underwriters who expect to offer the notes in late January or early February. Application will be made to list the notes on the New York Stock Exchange. Interest will be payable semi-annually.

French machine tools scheme

BY RUPERT CORNWELL

PARIS, Jan. 12.

AFTER SEVERAL years of unfulfilled promises, the French Government has finally introduced its much heralded scheme to strengthen the country's weak machine tools industry.

Almost alone of the major Western nations, France has a trade deficit in the sector, thanks largely to the fragmented shape of the industry. The five-year plan unveiled to-day, however, by the Industry Minister, M. Michel d'Ornano, is distinctly modest in scope.

Its most striking innovation concerns the export side. A new company will be set up under the aegis of the State-backed Government development agency IDI, which will in effect underwrite foreign investments by French machine tool groups.

In the meantime the French authorities will give greater backing to research programmes within the industry. Existing national institutes specialising in machine tool development will be given greater national aid.

Companies which buy new French-made tools will receive assistance in the form of Government guarantees of their solvency, which should secure the needed financial support from banks. Special grants will be made to participants in the scheme, who will, for the first two years, have the option of leasing equipment with no obligation of purchase.

Poliet dividend plans

PARIS, Jan. 12.

POLIET ET CHAUSSON is proposing a higher total dividend for the 1975 financial year of Frs.12.75 (11.25) as a result of the good profits made by its subsidiaries in 1974, company president Jean-Pierre Fontaine said in a letter to shareholders.

Moreover the information available on subsidiaries profits for 1975 suggests the dividend can be increased in 1976, he added.

Net 1974 consolidated profit for Poliet et Chausson was Frs.33.2m. (26.1m.).

...ECTED EURODOLLAR BOND PRICES

	Bid	Offer
...TS		
... 10pc 1985	103	104
...pc 1987	92½	93½
...ss 8pc 1987	92½	93½
...d 8½pc 1989	96½	97½
...ill 10pc 1990	104	105
...pc 1987	92½	93½
...pc 1986	99½	100½
...ods 7½pc 1991	88½	90½
...mmer 8pc 1987	93	94
... 1985	101½	102½
...pc 1985	101	102
... 1986 Nov.	99	100
...able 8½pc 1987	90½	91½
...Motors 8½pc 1986	104	105
...½pc 1985	98½	99½
... 1986	96½	97½
...and 9½pc 1982	102½	103½
...ght 8pc 1988	93½	94½
...Quebec 7½pc 1986	88	89
...Hydro 8½pc 1989	100	101
...d 8½pc 1987	92½	93½
...½pc 1988	98	99
... 1986	99	100
... (Ind.) 8½pc 1988	101	102
... 7½pc 1987	90½	91½
...n 8pc 1986	99½	100½
... 1987	95½	96½
...pc 1985	101½	102½
...ce 9½pc 1982	102½	103½
...pc 1980	102	103
...l. Dev. 10½pc '81	103½	104½
... 9½pc 1982	104	102
...du Rhone 10pc '82	103½	104½
... 7½pc 1978	101½	102½
...pc 1978	100½	101½
...Motors 8½pc 1976	100½	101½
... 9½pc 1981	102½	103½
...teel 9½pc 1980	100	101
...½pc 1980	102½	103½
...oskilda 10½pc 1981	105	106

...urce: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	86	88
Ashland 5pc 1988	84	86
Beatrice Foods 4¼pc 1992	97	99
Beatrice Foods 4½pc 1992	107	109
Borden 5pc 1992	98	100
Broadway Hale 4½pc 1987	79	81
Canon Camera 7½pc 1989	100	102
Carnation 4pc 1987	87	89
Chevron 5pc 1988	99	101
Dart 4¾pc 1987	86	88
Eastman Kodak 4½pc 1988	122	124
Economic Labs. 4½pc 1987	81	83
Elgal 7¼pc 1989	73	77
Fed. Dept. Stores 4½pc '85	133	135
Firestone 5pc 1988	89½	91½
Ford 5pc 1986	89	91
Ford 5pc 1988	79	81
General Electric 4¼pc 1987	88	90
Gillette 4¾pc 1987	78	80
Gould 5pc 1987	87½	89½
Gulf and Western 5pc 1988	91	93
Harris 5pc 1992	73	75
Honeywell 6pc 1986	79½	81½
ITT 4½pc 1987	67	69
Komatsu 7½pc 1990	104½	106
J. Ray McDermott 4¾pc '87	124	126
Mitsui 7½pc 1990	107½	109½
J. P. Morgan 4¾pc 1987	106½	108½
Nabisco 5½pc 1988	95½	97½
Owens Illinois 4½pc 1987	97	99
J. C. Penney 4¼pc 1987 ...	84	86
Pioneer 8½pc 1989	206	211
Rank 4½pc 1993	46	48
Revlon 4¾pc 1987	102	104
Sperry Rand 4¼pc 1987	98	99
Squibb 4¾pc 1987	87	89
Texaco 4¾pc 1988	76	78
Toshiba 6½pc 1990	104	105½
Union Carbide 4¾pc 1982	114	116
Warner Lambert 4¼pc 1987	94	96
Warner Lambert 4½pc 1988	83	85
Xerox 5pc 1988	74	76

Source: Kidder, Peabody Securities.

Dutch chemical prospects

BY MICHAEL VAN OS

AMSTERDAM, Jan. 12.

HOLLAND'S leading chemical companies expect a slow recovery in their activities this year, setting in after the first half of the year. The year 1975 was generally described as "miserable," and, adds a survey of the Dutch chemical industry association, "a year characterised by a deterioration of the Dutch entrepreneurial climate and a worrying trend of the industry's wage cost development compared with competitive countries such as neighbouring Germany and also the U.S."

Mr. W. A. J. Bogers, chairman of the large State-owned chemical group, DSM, writes in the association's journal, published this month, that although sales have increased in 1975 to a level of about Fls.8bn., the growth had been smaller than expected. He regards an improvement of chemical prices as vital this year, for in the past year the main problem had been that prices of most products had fallen while energy prices had remained stable or had risen with the resultant negative effect on margins. The DSM chief said that, in common with other European petro-chemical complexes, production capacity had only been used by about two-thirds. But, Mr. Bogers added, customers' stocks meanwhile appear to have been largely run down so that production would be falling in line with demand. Any real improvement in the chemical sector was expected once the effects of the various national Government stimulation policies began to be felt.

Akzo Chemie's managing director, Mr. A. G. Van Den Bos, said that his company's results had been "clearly below budget" in 1975 while total sales were about 20-25 per cent. below plan. For the current year, a volume increase in the chemical industry is expected and those companies operating at a loss would be returning to profits, he said. The situation in South America and Japan was better at the moment than in Europe, particularly than in Holland.

Mr. H. J. Hellema, Chairman of Hoechst Holland, said that its consolidated sales were expected to amount to about Fls.980m. in 1975.

The Hoechst Holland top man, commenting on the so-called investment climate for companies in Holland, said that the Dutch reputation was not so much influenced by actual measures, but more by several "wild pronouncements," by Ministers, so-called privately, and by trade unionists, which were understood abroad to refer to facts instead of pronouncements.

ICI Holland managing director Mr. F. A. Koster said that the company's results had been "rather poor" in the past year. For 1976, an improvement was expected though not before the second half. The company exported a large share of production and noted that the market in Germany and France, where it was particularly active, was doing better than in Holland and Luxembourg. As for the recovery, MUC would depend on the market in the former two areas. Mr. Koster also stressed some of the chemical industry problems which were peculiar to Holland, including high wage costs, the hard Guilder affecting exports.

Mr. E. W. Van der Horst, chairman of Gist-Brocades, was not very optimistic about 1976, and neither about the expected upturn taking place this year at all. Also in pharmaceuticals, which was not expected to be a cyclically sensitive sector of activity, there had been a noticeable setback in 1975, he added, as a result of destocking.

Shell Nederland Chemie director Mr. E. Meinsma said that capacity utilisation had been raised from as low as 55 per cent. at one stage to about 75 per cent. at the moment. As regards the European chemical industry prospects—the company exports up to 70 per cent. of production—Mr. Meinsma said that there would be continued though very slow growth in 1975 after the second half of 1976, with the 1973 level being reached again at end 1976. There had been a sharp growth in the U.S. This summer, but that had subsided, he added. The Shell Nederland Chemie director said that customers were still anticipating price increases. A worry was low profitability and, for Holland, the long delays in planning procedures.

The chairman of Dow Chemical (Nederland), Mr. A. C. M. Heemskerk, said that results had clearly declined in 1975. There would be a very modest improvement this year and the Dutch Government's price policy would be vital for companies such as Dow which still sold about 20 per cent. of production on the home market. Mr. Heemskerk was not so pessimistic about the home investment climate and pointed at its recent big Terneuzen chemical expansion decision. The Government should not make life too difficult for companies, however, otherwise they would think twice before investing in Holland, despite its favourable geographical location.

This announcement appears as a matter of record only.

$10,000,000

Government of Bolivia

Five Year Loan

Arranged by

Loeb, Rhoades & Co. Amex Bank Limited

Provided by

American Express International Banking Corporation (Agent)

Roywest Banking Corporation Bank of Nova Scotia

Midland Bank Limited National Bank of North America

Toronto Dominion Bank Wells Fargo Bank, N.A.

Amex Bank Limited Pierson, Heldring & Pierson (Curaçao) N.V.

January 13, 1976

This announcement appears as a matter of record only.

assi

AKTIEBOLAGET STATENS SKOGSINDUSTRIER

U.S. $20,000,000

Seven Year Floating Rate Loan

managed by

HAMBROS BANK LIMITED

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BARCLAYS BANK SA PARIS
CAISSE CENTRALE DES BANQUES POPULAIRES
CONTINENTAL BANK
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO
HAMBROS BANK LIMITED
INTERNATIONAL COMMERCIAL BANK LIMITED
NORDFINANZ-BANK ZÜRICH
REPUBLIC NATIONAL BANK OF NEW YORK
SECURITY PACIFIC NATIONAL BANK
SOCIÉTÉ LYONNAISE DE DEPOTS ET DE CREDIT INDUSTRIEL
WORLD BANKING CORPORATION LIMITED
Nassau, Bahamas

January, 1976

Barclays Bank Base Rate.

Barclays Bank Limited and Barclays Bank International Limited announce that with effect from the close of business on 12th January, 1976 their Base Rate was decreased from 11% to 10½% per annum.

The basic interest rate for deposits was decreased by ½% from 7% to 6½% per annum.

BARCLAYS | BARCLAYS International

Barclays Bank Limited, 54 Lombard Street, London EC3P 3AH.

APPOINTMENTS

Two new directors for Union Discount

Mr. T. H. Bevan and Mr. D. G. Scholey have been appointed directors of the UNION DISCOUNT COMPANY OF LONDON. Mr. Bevan is deputy chairman of Barclays Bank and a director of the Commercial Union Assurance Company. Mr. Scholey is vice-chairman of S. G. Warburg and Co.

★

CAMMELL LAIRD SHIPBUILDERS confirms the appointment of the managing director, Mr. G. A. Smith as chief executive. This appointment is in planned succession to Mr. J. G. Day, who has been seconded to the Organising Committee for British Shipbuilders for the remainder of his contract with Cammell Laird, and has therefore resigned as deputy chairman and chief executive of the company.

★

Mr. R. M. Cox-Johnson has resigned his directorships of LEOPOLD JOSEPH HOLDINGS and its subsidiaries to take up another appointment which will be announced in due course. Mr. Louis Heymann will be the director in charge of the investment department of the Bank.

★

Mr. Judson Hannigan has resigned as president of the INTERNATIONAL PAPER COMPANY and his responsibilities have been assumed by Mr. J. Stanford Smith, chairman and chief executive. Mr. Smith cited differences concerning organisation as the reason for the resignation. Mr. Hannigan served in various manufacturing positions prior to being named president on January 1, 1974.

★

Miss Winifred Sainer has been appointed managing director of CRESTA SILKS, a member of the Debenhams Group, from February 1. Previous positions held by Miss Sainer included assistant general manager of Peter Jones, then personal assistant to Sir Charles Clore, and latterly on the Boards of the British Shoe Corporation, Selfridges, including Miss Selfridge, Lewis' and a number of other concerns.

★

Sir Henry Johnson will retire from MEPC on March 31 and will be succeeded as chairman by Sir Gerald Thorley. At his own request, Mr. Peter Anker is to relinquish his position as managing director on March 1, but will continue as a director. Arrangements are being made for Mr. Anker to assume new responsibilities for the operations of MEPC in North America. From March 1 Sir Gerald will undertake, for the time being, the duties of managing director.

★

Mr. P. B. Hamilton, joint managing director of the Firth Cleveland sub-group of GKN and chairman of the Powder Met. Division, has taken on the additional role of managing director of the division and chairman of its constituent companies, Bound Brook, Firth Cleveland Sintered Products, NTN Bearings GKN, GKN Powder Met. Incorporated, and Bound Brook Corporation. Mr. Hamilton takes up those posts in succession to Mr. M. O. Bumfrey who has become president of the division's American interests, GKN Powder Met. Incorporated, Presmet Corporation, and Bound Brook Corporation. Mr. M. Boorky, previous holder of the latter positions, has been appointed to the new post of non-executive chairman of Presmet Corporation.

Other appointments made within the Powder Met. Division of the Firth Cleveland sub-group are Mr. G. Stillebacher, now managing director of Bound Brook Italia SpA and a director of GKN Powder Met.; Mr. H. van Goorkum, marketing director of Bound Brook, also appointed a director of GKN Powder Met.; and Mr. F. F. Bowsher, managing director of Bound Brook, who joins the Board of Firth Cleveland Sintered Products.

★

A contract housing unit has been formed in the Construction Division of the TARMAC GROUP. It will be headed by Mr. John Boldero who is director in charge of contract housing with Mr. Peter Tonkinson the area manager for the Midlands where the new organisation will be seeking to increase its market share.

★

Mr. N. D. Brown and Mr. R. A. Freeman have been appointed managers of BARING BROTHERS AND CO.

★

Professor W. H. Cockcroft, Professor of Pure Mathematics in the University of Hull has been appointed vice-chancellor of the NEW UNIVERSITY OF ULSTER, at Coleraine, Northern Ireland, from October 1.

★

Mr. R. L. E. Keates, a main Board member of Richards and Wallington Industries, has joined the Board of RICHARDS AND WALLINGTON (LONDON).

★

Mr. J. L. Dickinson has been appointed chairman of WEYROC, a subsidiary of the Swedish Match Company.

★

Mr. R. H. King has been appointed a non-executive director of LANKRO CHEMICALS GROUP. Mr. King is a director of Metal Box and chairman and chief executive of Metal Box Diversified Products.

★

Mr. J. F. P. Albert has succeeded Mr. A. E. Hudson as chairman of BARKING ZINC OXIDE. Mr. J. Mannox, general manager, and Mr. L. R. Dowsett have joined the Board.

National Westminster Bank

Rate Changes

National Westminster Bank announces that for balances in its books as from and including Tuesday, 13th January 1976 its **Base Rate** for lending is reduced from 11% to 10½% per annum and its **Deposit Rate** on all amounts lodged, subject to seven days' notice of withdrawal, is 6½% per annum.

Savings Accounts will now attract interest at 6½% per annum.

All other rates remain unchanged.

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effective January 1, 1976

THE LIST OF APPLICATIONS WILL BE OPENED AND CLOSED ON THURSDAY, 15th JANUARY 1976

13 per cent TREASURY STOCK, 1990

ISSUE OF £600,000,000 AT £96·00 PER CENT

Payable in Full on Application.

Interest payable half-yearly on 15th January and 15th July

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive applications for the above Stock.

The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.

The Stock will be repaid at par on 15th January 1990.

The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one new penny by instrument in writing in accordance with the Stock Transfer Act 1963. Transfers will be free of stamp duty.

Interest will be payable half-yearly on 15th January and 15th July. The first payment will be in respect of six months' interest and will be made on 15th July 1976. Interest warrants will be transmitted by post: income tax will be deducted from payments of more than £5 per annum.

Stock of this issue and the interest payable thereon will be exempt from all United Kingdom taxation, present or future, so long as it is shown that the Stock is in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.

Further, the interest payable on Stock of this issue will be exempt from United Kingdom income tax, present or future, so long as it is shown that the Stock is in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.

For the purposes of the preceding paragraphs, persons are not ordinarily resident in the United Kingdom if they are regarded as not ordinarily resident for the purposes of United Kingdom income tax.

Applications for exemption from United Kingdom income tax should be made in such form as may be required by the Commissioners of Inland Revenue. The appropriate forms may be obtained from the Inspector of Foreign Dividends, Inland Revenue, Lynwood Road, Thames Ditton, Surrey, KT7 0DP.

These exemptions will not entitle a person to claim repayment of tax deducted from interest unless the claim to such repayment is made within the time limit provided for such claims under income tax law: under the provisions of the Taxes Management Act 1970, Section 43 (1) no such claim will be outside this time limit if it is made within six years from the date on which the interest is payable. In addition, these exemptions will not apply so as to exclude the interest from any computation for taxation purposes of the profits of any trade or business carried on in the United Kingdom. Moreover the allowance of the exemptions is subject to the provisions of any law, present or future, of the United Kingdom directed to preventing avoidance of taxation by persons domiciled, resident, or ordinarily resident in the United Kingdom, and, in particular, the interest will not be exempt from income tax where, under any such provision, it falls to be treated for the purpose of the Income Tax Acts as income of any person resident or ordinarily resident in the United Kingdom.

Applications, which must be accompanied by payment in full for the amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 9AA; a separate cheque must accompany each application. Applications must be for £100 of Stock or a multiple thereof: no allotment will be made for a less amount than £100 of Stock. Letters of allotment in respect of Stock allotted will be despatched by post at the risk of the applicant. In the case of partial allotment, the surplus after providing for payment for the amount allotted will be refunded by cheque.

Letters of allotment may be split into denominations of multiples of £100. They may be lodged for registration forthwith and in any case must be lodged for registration not later than 11th March 1976.

A commission at the rate of 6.25p per £100 of the Stock will be paid to bankers or stockbrokers on allotments made in respect of applications bearing their stamp: however, no payment will be made where the banker or stockbroker would receive by way of commission a total of less than £1.

Application forms and copies of this prospectus may be obtained at the Bank of England, New Issues, Watling Street, London, EC4M 9AA, or at any of the branches of the Bank of England: at the Bank of Ireland, P.O. Box 13, Donegall Place, Belfast, BT1 5BX: from Messrs. Mullens & Co., 15 Moorgate, London, EC2R 6AN: or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND
LONDON
9th January 1976.

THIS FORM MAY BE USED

For use by Banker or Stockbroker claiming commission—

(Stamp) | VAT Regn. No. (if not registered put "NONE")-

THE LIST OF APPLICATIONS WILL BE OPENED AT 10 am ON THURSDAY, 15th JANUARY 1976 AND WILL BE CLOSED ON THE SAME DAY

13 per cent Treasury Stock, 1990

ISSUE OF £600,000,000 AT £96.00 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

I/We request you to allot to me/us in accordance with the terms of the prospectus dated 9th January 1976 a £ ....

say, ... pounds, of the above-named Stock. I/We request that any letter of allotment in respect of the Stock allotted to me/us be sent to me/us by post at my/our risk.

The sum of b£ .... being the amount required for payment in full (namely £96.00 for every £100 of the Stock applied for), is enclosed.

c I/We declare that the applicant(s) is/are not resident outside the Scheduled Territories d and that the security is not being acquired by the applicant(s) as the nominee(s) of any person(s) resident outside those Territories.

.... January 1976 SIGNATURE ....

PLEASE USE BLOCK LETTERS

SURNAME AND DESIGNATION MR/MRS/MISS OR TITLE ....

FIRST NAME(S) IN FULL ....

ADDRESS IN FULL ....

....

a Applications must be for £100 of the Stock or a multiple thereof, and should be lodged at the Bank of England, New Issues, Watling Street, London, EC4M 9AA.

b A separate cheque must accompany each application. Cheques should be made payable to "Bank of England" and crossed "Treasury Stock".

c If this declaration cannot be made it should be deleted and reference should be made to an Authorised Depositary or in the Republic of Ireland, an Approved Agent, through whom lodgment should be effected. Authorised Depositaries are listed in the Bank of England's Notice EC 1 and include most banks and stockbrokers and practising solicitors in the United Kingdom, the Channel Islands or the Isle of Man; Approved Agents in the Republic of Ireland are defined in the Bank of England's Notice EC 10.

d The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

THE LIST OF APPLICATIONS WILL BE OPENED AND CLOSED ON THURSDAY, 15th JANUARY 1976

9½ per cent TREASURY STOCK, 1980

ISSUE OF £500,000,000 AT £93.25 PER CENT

Payable in Full on Application

Interest payable half-yearly on 14th May and 14th November

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive applications for the above Stock.

The principal of and interest on the Stock will be a charge on the National Loans Fund, *with recourse to the Consolidated Fund of the United Kingdom.*

The Stock will be repaid at par on 14th May 1980.

The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one new penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Transfers will be free of stamp duty.

Interest will be payable half-yearly on 14th May and 14th November. The first payment will be made on 14th May 1976 at the rate of £1.13 per £100 of the Stock. Interest warrants will be transmitted by post; income tax will be deducted from payments of more than £5 per annum.

Stock of this issue and the interest payable thereon will be exempt from all United Kingdom taxation, present or future, so long as it is shown that the Stock is in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.

Further, the interest payable on Stock of this issue will be exempt from United Kingdom income tax, present or future, so long as it is shown that the Stock is in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.

For the purposes of the preceding paragraphs, persons are not ordinarily resident in the United Kingdom if they are regarded as not ordinarily resident for the purposes of United Kingdom income tax.

Applications for exemption from United Kingdom income tax should be made in such form as may be required by the Commissioners of Inland Revenue. The appropriate forms may be obtained from the Inspector of Foreign Dividends, Inland Revenue, Lynwood Road, Thames Ditton, Surrey, KT7 0DP.

These exemptions will not entitle a person to claim repayment of tax deducted from interest unless the claim to such repayment is made within the time limit provided for such claims under income tax law: under the provisions of the Taxes Management Act 1970, Section 43 (1), no such claim will be outside this time limit if it is made within six years from the date on which the interest is payable. In addition, these exemptions will not apply so as to exclude the interest from any computation for taxation purposes of the profits of any trade or business carried on in the United Kingdom. Moreover the allowance of the exemptions is subject to the provisions of any law, present or future, of the United Kingdom directed to preventing avoidance of taxation by persons domiciled, resident, or ordinarily resident in the United Kingdom, and, in particular, the interest will not be exempt from income tax where, under any such provision, it falls to be treated for the purpose of the Income Tax Acts as income of any person resident or ordinarily resident in the United Kingdom.

Applications, which must be accompanied by payment in full for the amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 9AA; a separate cheque must accompany each application. Applications must be for £100 of Stock or a multiple thereof; no allotment will be made for a less amount than £100 of Stock. Letters of allotment in respect of Stock allotted will be despatched by post at the risk of the applicant. In the case of partial allotment, *the surplus after providing for payment for the amount allotted will be refunded by cheque.*

Letters of allotment may be split into denominations of multiples of £100. They may be lodged for registration forthwith and in any case must be lodged for registration not later than 11th March 1976.

A commission at the rate of 3.125p per £100 of the Stock will be paid to bankers or stockbrokers on allotments made in respect of applications bearing their stamp; however, no payment will be made where the banker or stockbroker would receive by way of commission a total of less than £1.

Until the close of business on 9th April 1976 stock issued in accordance with this prospectus will be known as 9½ per cent Treasury Stock, 1980 "A"; the last date for lodgment at the Bank of England of transfers of "A" stock will be 7th April 1976. The interest due on 14th May 1976 will be paid separately on existing holdings of 9½ per cent Treasury Stock, 1980 and on holdings of "A" stock: consequently, interest mandates or authorities for income tax exemption recorded in respect of existing holdings will not be applied to the payment of the interest due on 14th May 1976 on holdings of "A" stock. From the opening of business on 12th April 1976 the "A" stock will be amalgamated with the existing stock.

Application forms and copies of this prospectus may be obtained at the Bank of England, New Issues, Watling Street, London, EC4M 9AA, or at any of the branches of the Bank of England: at the Bank of Ireland, P.O. Box 13, Donegall Place, Belfast, BT1 5BX: from Messrs. Mullens & Co., 15 Moorgate, London, EC2R 6AN: or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND
LONDON
9th January 1976.

THIS FORM MAY BE USED

For use by Banker or Stockbroker claiming commission—

(Stamp) | VAT Regn. No. (if not registered put "NONE")-

THE LIST OF APPLICATIONS WILL BE OPENED AT 10 am ON THURSDAY, 15th JANUARY 1976 AND WILL BE CLOSED ON THE SAME DAY

9½ per cent Treasury Stock, 1980

ISSUE OF £500,000,000 AT £93.25 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

I/We request you to allot to me/us in accordance with the terms of the prospectus dated 9th January 1976 a £ ....

say, ... pounds, of the above-named Stock. I/We request that any letter of allotment in respect of the Stock allotted to me/us be sent to me/us by post at my/our risk.

The sum of b£ .... being the amount required for payment in full (namely £93.25 for every £100 of the Stock applied for), is enclosed.

c I/We declare that the applicant(s) is/are not resident outside the Scheduled *Territories* d and that the security is not being acquired by the applicant(s) as the nominee(s) of any person(s) resident outside those Territories.

.... January 1976 SIGNATURE ....

PLEASE USE BLOCK LETTERS

SURNAME AND DESIGNATION MR/MRS/MISS OR TITLE ....

FIRST NAME(S) IN FULL ....

ADDRESS IN FULL ....

....

a Applications must be for £100 of the Stock or a multiple thereof, and should be lodged at the Bank of England, New Issues, Watling Street, London, EC4M 9AA.

b A separate cheque must accompany each application. Cheques should be made payable to "Bank of England" and crossed "Treasury Stock".

c If this declaration cannot be made it should be deleted and reference should be made to an Authorised Depositary or in the Republic of Ireland, an Approved Agent, through whom lodgment should be effected. Authorised Depositaries are listed in the Bank of England's Notice EC 1 and include most banks and stockbrokers and practising solicitors in the United Kingdom, the Channel Islands or the Isle of Man; Approved Agents in the Republic of Ireland are defined in the Bank of England's Notice EC 10.

d The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

LEGAL NOTICES

No. 0038 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of DUTEBOURNE LIMITED and in the Matter of The Companies Acts, 1948 to 1967.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 6th day of January 1976, *presented to the said Court by* THE SECRETARY OF STATE FOR TRADE of 1, Victoria Street, London, S.W.1, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 26th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

TREASURY SOLICITOR,
3, Central Buildings,
Matthew Parker Street,
London SW1H 9NN.
Solicitor for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, *if* a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 23rd day of January 1976.

No. 0043 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of DERRY COURT (LONDON) LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 6th day of January 1976, presented to the said Court by JOHN REYNOLDS and RICHARD PINK trading together as REYNOLDS & PINK (GROUNDWORKS) (a firm) of 16 Albany *Close, Bushey Heath in the County of* Hertford, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 9th day of February 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

LEWIS CUTNER & CO.,
24/25 Manchester Square,
London, W.1.
Solicitors for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 6th day of February 1976.

No. 004187 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of INVICTA FINISHING SYSTEMS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 23rd day of December, 1975, presented to the said Court by HALIFAX FAN MANUFACTURING COMPANY LIMITED, whose registered office is situate at Rookery Lane, [illegible], Halifax in the County of West Yorkshire, Manufacturers of fans, Creditor, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 9th day of February 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BOWER, COTTON AND BOWER,
4, Bream's Buildings,
London, EC4A 1HL,
Agents for
JUBB LONGBOTHAMS,
Halifax.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 6th day of February, 1976.

No. 004236 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of KENNETH HUNTER LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 30th day of December 1975, presented to the said Court by CONNINGTON ALUMINIUM LIMITED whose Registered Office is at 507 Green Lanes, Palmers Green, London, N.13, Builders, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 2nd day of February 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

MEASURES, CAINE & CO.,
76 Shenley Road,
Borehamwood,
Herts., WD6 1EH,
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition *must serve on, or send by post to, the* above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 30th day of January 1976.

No. 004261 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of CHENEY COURT HOTEL & RESTAURANT LIMITED and in the *Matter of The Companies Act, 1948.*

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 31st day of December 1975, presented to the said Court by COUTTS & CO., whose registered office is at 15 Lombard Street, London, E.C.3, Bankers and creditors, and that the said *Petition is directed to be heard before* the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 2nd day of February 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

A. E. HAMLIN & CO.,
Northridge House,
[illegible] Regent Street,
London, W.1.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 30th day of January 1976.

No. 0015 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of COLLINS TELEKI BROWN ASSOCIATES LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 5th day of January 1976, presented to the said Court by IVOR KAMLISH MISA & ASSOCIATES, of 47 Arlington Road, London, NW1 [illegible], and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 9th day of February 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

MURRAY MACLEAN & CO.,
73 Surbiton Road,
Kingston upon Thames,
Surrey, KT1 2AF.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 6th day of February 1976.

No. [illegible]

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PRINT [illegible] and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the [illegible] day of [illegible] 1975 presented to the said Court by [illegible] ... directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the [illegible] day of February, 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

PARKER, FOGG & PIN[illegible],
189, Temple Chambers,
Temple Avenue,
London EC4Y [illegible].
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the [illegible] of January, 1976.

CONTRACTS AND TENDERS

A. G. McKEE & CO.
on behalf of
YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS

INTERNATIONAL PUBLIC LICITATION NO. 12

PURPOSE: Supply of carbon and alloy steel pipe fittings (elbows, couplings, flanges, strainers, etc.) threaded, butt welding and socket ends for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On March 25, 1976 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $25.00 or its equivalent.

INTERNATIONAL PUBLIC LICITATION NO. 13

PURPOSE: Supply of carbon and alloy steel pipe (seamless and welded), diameters ½ inch up to 32 inches for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On March 30, 1976 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $25.00 or its equivalent.

INTERNATIONAL PUBLIC LICITATION NO. 14

PURPOSE: Supply of gaskets (asbestos, spiral wound and oval type) for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On March 18, 1976 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $15.00 or its equivalent.

INTERNATIONAL PUBLIC LICITATION NO. 15

PURPOSE: Supply of stud bol[ts] (ASTM A-193) for a refinery [at] Cochabamba, Republic of Boli[via].

OPENING OF BIDS: On March 19, 1976 at the below-mentioned offices, at 11:00 a[.m.] The bids will be received until that date and time.

PRICE OF SPECIFICATIONS A[ND] BIDDING CONDITIONS: U.S. $15.00 or its equivalent.

INTERNATIONAL PUBLIC LICITATION NO. 16

PURPOSE: Supply of valves (gate, globe, check and plug type) with socket welding, flanged and threaded ends, i[n] forged carbon steel, cast iron, alloy steel and bronze materi[al] for a refinery at Cochabamb[a], Republic of Bolivia.

OPENING OF BIDS: On April 14, 1976 at the below-mentioned offices, at 11:00 a[.m.] The bids will be received until that date and time.

PRICE OF SPECIFICATIONS A[ND] BIDDING CONDITIONS: U.S. $25.00 or its equivalent.

BID BOND: 0.5% of the amo[unt] of the bid.

INQUIRIES AND DOCUMENTA[TION]: Inquiries may be made and specifications and biddin[g] conditions may be secured at office of "A. G. McKEE & CO[.]" Hipolito Yrigoyen 440, 8th fl[oor], Buenos Aires, Argentina.

VALIDITY OF OFFERING: Nin[ety] days following bid opening d[ate].

FINANCING: By the BANCO INTERAMERICANO DE DESARROLLO (INTERAMERICAN DEVELOPMENT BANK), in accordance with Contract No. 2[illegible] OC-BO with the Government of the Republic of Bolivia.

هكذا في الأصل

FINANCIAL TIMES REPORT

Tuesday January 13 1976

Hotels and Catering

The past year has seen some stabilisation, although not at the level most of those in the business would like to have experienced. Now parts of the industry at least are looking to a steady growth in foreign tourism.

...head ...tter ...ngs

...IS NO question but that ...tish hotels and catering ... had a pretty rough year ...r and is not particularly ...tic about the next. But ...e any summary at that ...e unreasonable. The fact ... over the past two years ...ustry has to some extent ... to live with its problems, ... at least hopes that the ...w months will, if they ... change at all, see a ...l change for the better.

...sumed

...underlying difficulty, of ... is that the industry was ... designed for an age ...temporarily at least, has ...ared. Much of Britain's ...tel and restaurant stock ...ned at a market which ...us assumed would grow ...and richer as the years ...y. Those were the days ...e drew growth lines on ...rts and projected them ...s and upwards with never a thought for the price of oil or the value of the pound. That circumstances have changed, however, does not necessarily mean that the game is over completely. Just because an 1100 cc car is better suited to to-day's life-style than a thirsty five-litre monster does not mean that motoring is dead.

The problem with any global view is that it inevitably misses some of the lumps and bumps on the scene. To take the line that 1976 was going to see no more hotel failures, no more restaurant closures, and no more cries of desperation from some sections of the industry to what at times appears a largely deaf Government, is foolish. The economic environment is still of such nature that disasters are not only possible, they are inevitable. Hotel groups which are most exposed probably remain those which were late into the building spree of a few years ago (those were the days!) and placed expensive property in marginal locations where the profits might have been considerable had the growth in business been produced. In the catering business the signals are set at danger still for those restaurants which are at the top end of the market and which do not have a healthy foreign traffic to sustain them.

But clearly profitability is available. Centre Hotels appears to have found a formula which has seen it through some very rough market waters with a great deal more success than some of its rivals. Mr. Edgar Gerhardt, managing director of Crest Hotels, the Bass Charrington off-shoot which took much of the Esso hotel chain into its arms in early 1973, wears a cautious smile on his face these days. Crest has actually seen its profitability *rise* recently. Penta Hotels, the international group owned by several airlines and banks co-operatively, has been able to increase its real room rates to more acceptable levels lately and thus face the future with considerable confidence.

This question of *real* rates is one of increasing importance to all sectors of the industry. Consultant Mr. Melvyn Greene, a keen student of the industry scene has predicted that 1976 will be the "year of Average Room Rates" compared with 1975 being the "Year of Occupancy" as far as hotels are concerned, but in fact this view is effective for the whole of the catering industry. In 1974 to some extent and certainly in the earlier parts of 1975 there was a desperate urgency throughout the business to maintain turnover at almost whatever cost.

Tariffs

This was evident in the hotel business when any examination was made of actual tariffs being charged, as opposed to those being officially quoted. It was clear also in restaurants, where operators were unwilling to increase prices in order to keep pace with the inflation of their own costs simply because they were terrified of losing custom. This is a perfectly acceptable commercial path provided it is followed for a relatively short time—in other words it is a useful tool during a temporary recession. It is much less useful, indeed perhaps ruinous, when the adverse conditions last for some time and when they cross the border from recession to slump.

There is ample evidence in some establishments—notably perhaps in that esoteric world of men's clubs—of failure to keep prices at the right levels for continued financial health. It does not take long to reach the stage where there is not enough money for refurbishing, nor does it take long to pass the point where the customers grow accustomed to under-priced facilities and object fiercely to any attempt at change.

The bigger groups, such as Grand Metropolitan, Trust Houses Forte and Commonwealth Holiday Inns, did not chase down the road of price-cutting quite as fast as some others (although they did make a slight stroll along that way) but are now managing to get things on to a better basis. Whether others will be able to do so depends very much on the scale of demand over the coming months.

There is no escaping the fact, none the less, that the most important aspect of the hotel and catering industry over the next 12 months is going to be the state of the British national economy. Given a measure of revival there is no particular reason why the hotel business should not pick up fairly quickly. This is more especially true of that sector of the trade orientated towards the businessman.

Willing

There must be less optimism for the up-market catering and hotel industry aimed at the private individual. While the Government might be willing to see a little more cash flow into industry in the relatively near future, there is less reason to believe that the present inhabitants of the Cabinet room will be keen to see a rapid revival in the fortunes of the middle classes. It might, therefore, be wise to take a longer view of prospects for that sector of the industry, such as the better provincial restaurants and resort hotels off the foreign tourist beat.

The tendency in the leisure sector of the market must surely be towards self-catering units, the smaller, perhaps more specialised restaurant operation, and even more "fast food."

All this might seem rather dull stuff for an industry many of whose leaders where trained in a day when someone in the kitchen would slave for an age to ensure that the sauce bearnaise was prepared to perfection for each individual guest, and that the bathroom towels were replaced the instant a visitor had deigned to use them. Such service can still be had—at a price—but since the price of a basic modern provincial room with bath in Britain is likely to go through the £12 barrier this year the bill is likely to be high.

There might be some sighs of woe, but the late seventies are likely to see more standardisation at every level in the industry. Let us hope that this trend also brings with it a measure of economic health, otherwise we all might be raising our glasses of standard carafe plonk, in our standard plastic dining room and wondering whether or not it was all really worth it.

Arthur Sandles

Knight Frank & Rutley

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A switch to budget eating

...AY in which the British ... changed their eating ... last year came as some... ...f a shock to the catering ...y—and shocks are not ...rily reduced when you ...ou are about to receive. There were plenty of ... around a couple of years ... say that the writing was ... wall for some sectors of ...staurant business, but ...he pinch came it still ...f course, there have been ...s and losers. While the ... places have been hav... ...ough time making their ...ends meet, the pubs and ...canteens have been doing ...ell thank you. A long hot ...r helped to swell the ...bar crowds, and short ...y packets tended to re... ...he rush to evening din... ...ses.

...was hardly surprising ...re to hear cries of dis... ...rom some sectors of the ...s and appeals to Govern... ...o take some interest in ...ight be regarded as an ...ant sector of the tourist ... Whether the trend will ...e to the extent that ...s a serious diminishing ... numbers of luxury rest... ...s in Britain remains to be ... but it is unlikely that ...will be any easing of the ...es on their economics in ...ar future.

...ose look at the figures ...s to show that eating out ... has not suffered as badly ...Britain's economic prob... ...s other sectors of busi... ...ctivity. What has hap... ...is that there has beeen ...ked movement in the ...

...eral spending on eating ... from home has by and ... kept pace with inflation ...ere are signs that it ... even be taking a greater ...of family income than in ...ast. This trend is not ...t a significance. It may ...e that housewives, if one ... allowed to use such a ...tion in these liberated ... are complaining so much ... the cost of feeding the ... that husbands are ...ately eating more in ...s and cafes as an alterna... ... giving their wives more ...eeping. There is also a ... that the cost of some ...ood" to-day is quite close ... cost of preparing similar ... in the home and there... ...e very shortage of cash ...ages a family to eat out. ...oth these arguments are ...he scene is an encourag... ...e for some sectors of the ...g industry. However, it ... not be overlooked that blue-collar workers increased their real income in 1974 and early 1975 rather faster than white-collar middle-class executives. This additional real money may have encouraged eating out. Now that blue-collar real incomes are also under attack some of that growth may peter out.

The underlying theme of present catering circumstances seems to be that people are eating more because they need to eat, rather than to make an occasion of the affair.

The changes in habits can be illustrated in varying ways, from listing the names of upper-bracket operations which have closed to noting the changes in eating locations. However, it is interesting also to note that the last Hotels and Catering EDC report showed a decline in British meat eating. Meat was the main course of 51 per cent. of British meals out in early 1975, compared with 58 per cent. a year earlier—and fish and poultry did not increase in popularity to fill the gap. The trend patently is towards other forms of food than basic traditional protein products.

Revolution

It now looks as if the great body of "middle class" restaurants are going to follow the more inexpensive establishments into paying close attention to simplification. The fast food revolution came when hamburger bars and fried chicken outlets moved in on the traditional homelands of fish and chips. Now the "occasion" restaurants, as opposed to the "necessity" locations, may have to follow similar paths. Any visitor to the U.S. will see the implications of such a trend. There restaurants in the $10 to $30 range (two people, bottle of wine included, £5-£15) are increasingly offering "themes" rather than comprehensive menus.

The "theme" is not necessarily simply a matter of making it a fish restaurant, a beef eater's delight, or an Italian haven—it narrows the choice much further, perhaps offering only scallops or shrimps instead of the full range of sea food. The capital outgoings on such a project can be higher, in that the setting has to suit the theme, but the on-going costs are considerably lower. If the restaurant offers ribs and ribs alone, obviously the kitchen costs are much less than when the chef is required to produce anything from a wide ranging menu. Whatever the psychological objections to such a system it seems to work very well in major U.S. conurbations, where the range of speciality outlets is sufficiently wide to meet local demand.

Shortening of menus and wine lists, means savings in a variety of ways besides the obvious ones of reduced costs both back and front stage. Wastage can be reduced and the need for expertise at all levels is virtually eliminated.

All this is of no help, of course, to those operations which rely on a longish sophisticated menu and attentive, intelligent, waiting for their custom. Unfortunately the number of customers who can afford to pay for such attention is to say the least static, if not reducing in number, in the U.K.

The problem for both the consumer and the industry is the intermediary stage. As far as the industry is concerned any switch in target market requires a fair amount of heart searching, and not a little cash. The consumer meanwhile has to adapt to a new situation in which he can no longer expect his local restaurant to offer every dish under the gastronomic sun, and to prepare these meals with expertise and flair.

Not least of the difficulties for restaurants currently is deciding whether the current trading position is permanent, or merely a passing phase. Obviously if widespread sophistication in eating habits is to be the pattern of the 1980s there is very little point in retreating to limited menus. But if costs are to continue escalating faster than the middle-to-up market customers can afford to pay, then the sooner restaurateurs adapt, the better.

The introduction of constant EDC monitoring of the eating-out industry is likely to prove one of the most valuable catering weapons the industry has seen for a long time. At least it helps us all to do more than just theorise about what is happening in the industry. Nevertheless, a historic record of what has happened over the past few months is no replacement for the decision-making process or what is going to happen over the next few years. At the moment the waters are a little muddied, but fortunes await those who can see through the mud with any degree of clarity.

Arthur Sandles

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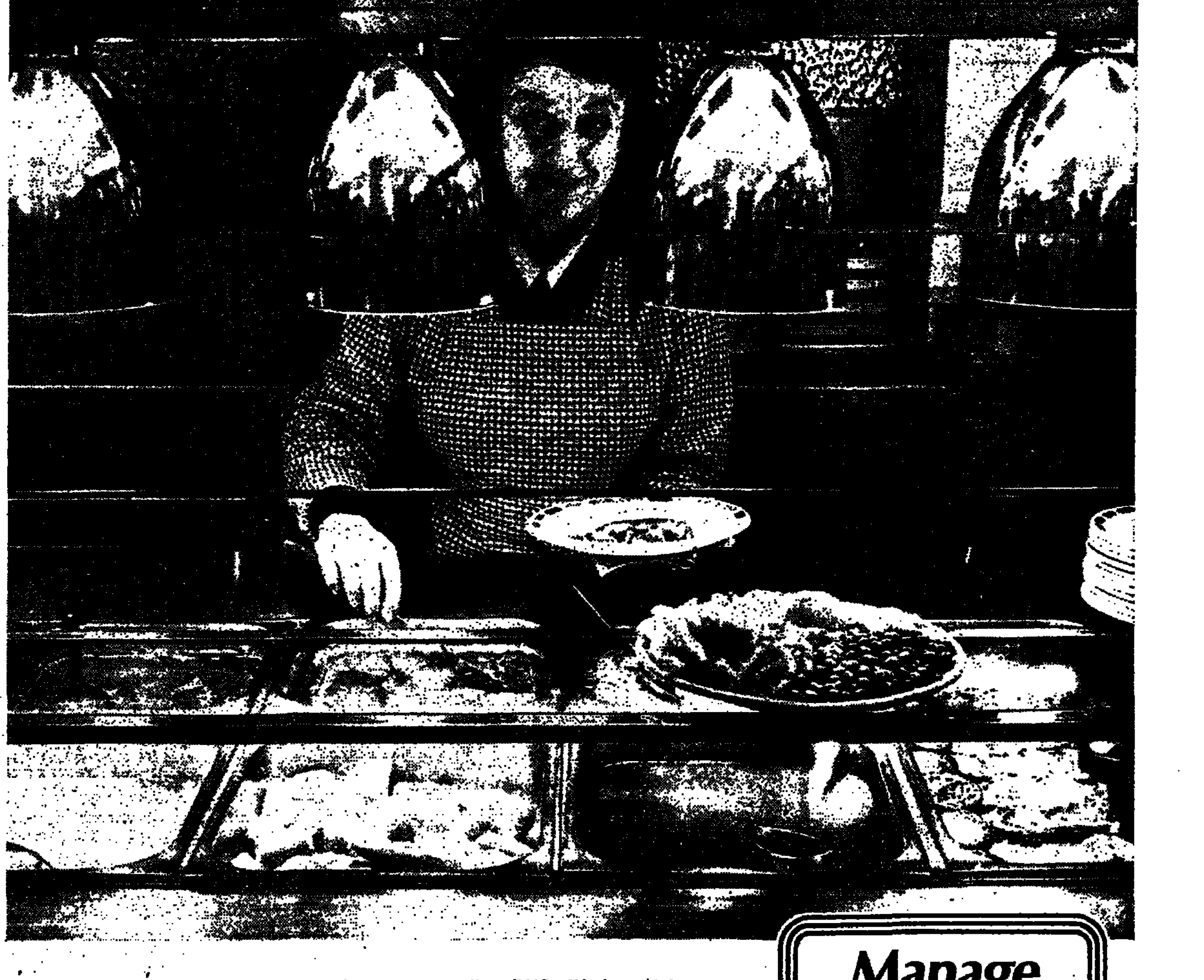

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North Western Electricity Board, Mr. B. Longton, Tel: 061-834 8161
South Scotland Electricity Board, Miss E. J. Caldwell, Tel: 041-637 7177
South Western Electricity Board, Mr. S. A. Radford, Tel: 0272 26062
Eastern Electricity Board, Mr. L. A. Kershaw, Tel: 0473 55841
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HOTELS AND CATERING II

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A struggle for hotels

AFTER ENDURING a period when making a profit at all was something of a managerial triumph, the hotel industry now faces a less dramatic but much longer struggle. Those groups or single hotel operations which have survived inflation and recession this far must have some reasonable trading level. But they are faced with forecasts which suggest that growth in demand, if it appears at all, is likely to be irregular. Any real upsurge is unlikely before the 1980s.

This is a long time to wait if it is only then that the £200m. invested in creating major new U.K. hotel capacity since 1969 begins to earn a proper return. Summers like last year's cannot be relied on to swell bar receipts, and in many respects hotels get the worst of national incomes policies like the £6 a week deal: the above average incomes of hotel users are shrunk, while £6 is a heavy percentage increase if it were widely adopted in an admittedly under-unionised industry where wages are low.

It would be false to assume that the trail of bankruptcies and receiverships is yet ended. Court Hotels (London) was the last quoted group to enter receivership and a study undertaken for the industry's Little Neddy—the Hotel and Catering Economic Development Committee—suggests that over the next decade more than 3,000 hotels may be forced to close.

Needs

The question is whether this survival of the fittest period is likely to produce a total U.K. bedstock which matches the needs of the next decade. Looking far enough ahead, there are those who already suggest, despite the widespread evidence of present overcapacity, that groups with good hotels on good sites when demand picks up are going to enjoy exceptional profits, high enough to tempt some into another rash of hotel construction.

While that may seem an unlikely enough scenario to be discarded for the present, the escalation of building costs has been such that, whatever present profits may be like, the replacement cost of to-day's hotels is rising rapidly.

The traditional sum done on hotel construction runs thus: if building costs per room (including a percentage of the hotel's amenities in the price of each room) are £x, then you must be able to charge one-hundreth of £x for a night's occupancy. So when hotel rooms could be built for £10,000—a 500-room hotel for £5m.—then £10 a night was what the management aimed to get. Once you have costs (even though site values have now declined) getting towards £30,000 a room, then you have to get £30 a night. At the moment there would seem a very limited market likely to want to pay such prices. It is very much the same situation as with office development, which has slowed to near-standstill because there seems no prospect of likely rents giving any return on funds borrowed to meet building costs.

Equally, as with office development, there is a powerful case that the absence of new building must create future shortages.

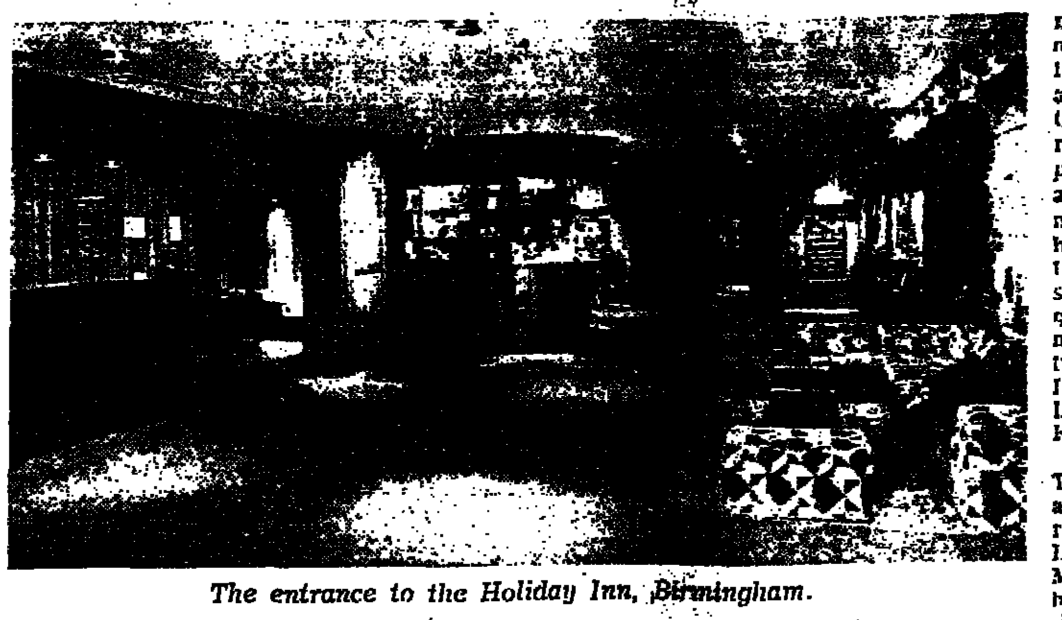
But the report completed by consultants for the Economic Development Committee (which is due to publish its survey of industry prospects till 1985 shortly) suggested that the area where future demand was likely to be strongest was mainly in London and mostly at the cheap end of the market. London and cheapness appear incompatible, particularly since cheapness means less than £5 a room at 1974 prices. The Committee has before tackled the problem of "budget beds," and any further solutions it offers to the problem will be a feature of its coming report.

For the present, the consultants spelt out the familiar problems of rising direct and indirect costs, funding problems and an estimate of £130m. for what the Fire Precautions Act would cost the industry.

Against this background, what has kept some groups profitable and convinced others that, by the end of 1975, the worst was over?

The weakness of sterling has been a significant factor: it must account for much of the increase in holiday customers from Europe, which has gone some way to offsetting the loss of American business which has so affected groups like the Savoy. At the same time, the rising cost of foreign travel to Britons has been good for U.K. holiday hotels. A very much increased marketing effort abroad has also succeeded for some groups.

That marketing effort also extends to the business traveller. Trust Houses Forte, for instance, has just quadrupled its budget to £400,000 to encourage foreign businessmen to stay at its hotels when in Britain. But the stated reason for this increased campaign presents the other side of sterling's weakness: THF is pursuing the foreigners because of signs of a decline in British business customers.



The entrance to the Holiday Inn, Birmingham.

This drop in business travel is something the hotel industry has been expecting for many months. Indeed most operators were surprised at the strength of the local business market through last year.

But it is now clear that company budget-cutting has now begun to show through in this sector. Just as the economies were slow to take effect, so hoteliers cannot be confident that an improvement in the general economic climate would quickly bring back the lost custom.

But despite such fears, there is still much more confidence among hoteliers than at this time last year. Centre Hotels (Cranston) is a company which, despite its growing foreign activities, would feel a decline in British business travel more than most. Its results have lately borne out the problems of high gearing and reduced margins, with pre-tax profits down to half the 1973 level. But the chairman is still sticking to the view that the company should not follow a policy of containment "which could produce short-term gains, but would fail to ensure the long-term prosperity of the company. This can only be achieved by continued highly selective growth, to ensure substantial profitability as soon as trading conditions improve."

Keeping one's nerve through a recession can be proved a spectacularly right policy: but the financing of hotel companies, much along property company lines though without some of pure property's tax advantages, puts considerable strain on balance sheets. A survey of 13 leading companies shows six with borrowings in excess of shareholders funds and nine with current liabilities in excess of current assets.

One clear trend to emerge from this difficult financial background is the growth, among those with a proven management record, of managem only contracts. Besides gro like Penta which do not any hotels, it is significant Grand Metropolitan (desp record for good occupancy producing hotel profit around £5m. in 1974, prob nearer £6m. last year hoping for approaching this year) should neverthe see future growth comin quite a large extent from management contracts like two it has recently taker London on the Westmorela Lords and the Elizabeth Kensington.

Grand Metropolitan, Trust Houses Forte, has a surprising resilience in returns from its most expe London hotels, with Middle East and Euro business taking up the slack. If Americans start t line again, in anything their old free-spending sty 1976, then the luxury si the capital trade should re secure.

This fairly successful among the larger g (though better occupancy particularly in its cheaper Houses, did not stop in charges pushing THF in first half loss last year) disguise the problems smaller groups. The Neddy reports on the ind due in the early summer likely to spell out a bleak sage for all less eff operators.

Quentin Guird

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See a Falcon Inn—from within

'Fast food' concept catches on

MR. BRIAN SALMON, chairman of J. Lyons, the company which for many years has held a leading position in the U.K.'s "fast food" business, said recently that "the success of Wimpy and our other fast-food franchises has confirmed our belief in them as the natural successors in popular appeal to our traditional High Street restaurants."

It is as long ago as 1959 that "Joe" Lyons' teashops were phased out—although it is still possible to find references to them as though they still existed to-day, a tribute to the impact they made on the British way of life. Some years ago Lyons brought in the Jolyon restaurants in the tea shops' place. This concept broadened the menu and widened the tariff as the company attempted to keep up with changing living standards and the public's bigger spending power.

Now, said Mr. Salmon, the Jolyon operation is to be phased out and "the first priority for the sites will be for use as London Steak Houses or for franchise as Wimpy, Golden Egg or other similar operations.

The steak house does not qualify as a "fast food" establishment. In the business, a "fast food" establishment is understood to be a place which offers simple dishes either to be eaten on the premises or to be taken away.

Lyons has established itself as the biggest influence so far in the U.K. in this type of business. Its Wimpy International franchise operation has spread throughout the country and there are to-day 620 Wimpy Bars, 120 Golden Egg restaurants and 80 Bake 'n Take take-away establishments. The Wimpy Bar concept has been exported to more than 35 other countries as well.

Like other successful fast-food franchise operations, the Wimpy business is very tightly controlled by central management and it almost seems that, after putting up his money, all the franchisee has to do is to manage his outlet. All the raw materials and packaging are supplied and the price of an important selection of menu items are centrally controlled along with the national advertising.

Traditionally the U.K. has not been a place to develop large chains of fast-food outlets. For many years the individually-owned fish and chip shop remained supreme. But that is all changing rapidly.

Perhaps the biggest "threat" to Wimpy, at least in the long-term, has been the arrival at long last in the U.K. of McDonald's, the sensationally successful American business which is responsible for the world's largest hamburger restaurant chain. McDonald's operates in 19 countries, mostly on a franchise basis and has sales of more than $2bn, and profits of over $67m.

Premises

In the U.K. McDonald's is operating through a company in which it has a 45 per cent. shareholding. Bob Rhea, an American who gave up his franchises in Ohio to move to Britain, has another 45 per cent. of the company while Englishman Geoffrey Wade, formerly a director of the Burton group, has the remaining 10 per cent.

Since the U.K. McDonald's moved into action in November 1974 by opening up at Woolwich, it has added only another three stores—at Catford, Croydon and in Seven Sisters Road, North London. This is by no means a rapid rate of progress and it seems that the company has had some difficulty in finding suitable premises. For these have to be in a good position and at the same time be fairly large—the McDonald's establishments tend to be around ten times the size of the average Wimpy bar.

It certainly is not all that easy to find suitable sites and get the necessary planning permissions when you are attempting to establish a fast-food outlet. Associated Fisheries, in its attempts to set up, via its own and franchised shops, the "Seafarer" up-market fish and chip chain was not able to expand as fast as it would have liked because of planning permission problems, for example.

McDonald's says it hopes to be opening restaurants at a faster rate this year. But so far there is no sign of it moving out of the London area and into the provinces.

Wimpy also considers the Kentucky Fried Chicken chain to be among its major competitors. There have been a number of American fast-food franchise operators who have attempted to set up in Britain without noticeable success. Where now are Orange Julius, Smith's Kitchen and Dunkin Donuts? But Kentucky Fried Chicken has undeniably hit the right formula.

There are now well over 150 KFC establishments in the U.K., most of them operated by large companies acting as multiple franchisees. McDonald's does not see KFC as too much threat because KFC is entirely take-home bu Both Wimpy and McDc concentrate nearly all efforts on providing reas attractive restaurant spac only a small part of their ness is take-home.

And both Wimpy McDonald's agree that should benefit as the rec make its impact on eatir habits. The argument i some people will no lon able to afford the steak prices and will, instead to the hamburger establish particularly if that outlet reasonable amenities.

This sentiment is ce backed by the latest repor the Hotels and Catering Neddy." The report cover quarter to the end of 1975 and said that, ove previous 12-month "there are signs of press the consumer to 'trade to take more of his mea in the form of snacks spend less on his meal eating out on leisure occa All the recent evidence su this tendency to "trade has continued.

To some extent the adva to the operator of the fas

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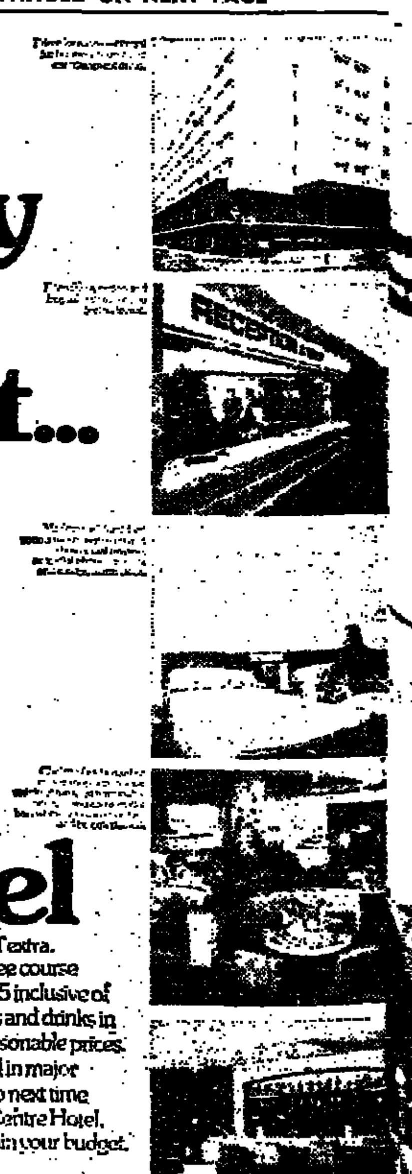

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هكذا أصل الأصل

Industrial decline

TRIAL CATERING has aped the ravages of the economic recession. ies have been closing feterias at a rapid rate. of these establishments of the "do-it-yourself" t some were being run contract by the U.K.'s industrial catering ies.

scenario leading up to ing down of a cafeteria urant on an industrial e site often goes like Rising unemployment that there are fewer to use the establishment. working hours and less e leads to a re-examina- an employee of his s. He is often content ch back to the lunch- dwiches rather than use orks cafeteria. The is usually clinched by idly rising cost of food afeteria. Like any cater- tablishment, a works unt or cafeteria needs ng like a 100 per cent. on food items in order k even. The employee, e, can often judge that d be much cheaper to d from a retail store and to work rather than pay ra to have it served up in the cafeteria.

e desertion from the afeteria moves on at a t the fixed running costs Most industrial catering establishments are subsidised and companies tend to very much let this important part of their operations look after itself as long as everything is running smoothly. But in current conditions, when income is falling and costs rising, companies are finding their cafeteria subsidies running over budget. Attention is then focused on the establishment and its place in the company.

In desperate times, such as some companies face to-day, closing down the cafeteria can be one way of saving a few important thousand pounds. There is likely to be little resistance if it is explained to the employees that the place is wildly uneconomic because they are not using it to the required extent.

The works cafeteria is placed sixth among usual "perks" provided in industry and is low enough down the list for its disappearance not to create too much of a stir among employees and their union representatives.

So many of the industrial catering establishments opened during the boom years of 1972-1973 have now been closed down. Things are therefore depressing for the outside contractors. But surely the situation will never be as bad as between the world wars. The hundreds of industrial "canteens" opened just after the First World War had all closed down before the Second World War started.

The current wave of closures is affecting the outside industrial catering companies as much as the "do-it-yourself" cafeteria. What these companies—the larger ones in particular—are attempting to do just now is show industrial management that they provide a management service as vital as any other available.

They urge companies which are "doing their own thing" to think about handing over the running of the works cafeteria to an outside contractor instead of simply closing it down. The contractor might, just might, be able to provide a reasonable service at less cost.

Staff

During the boom years for the industrial catering concerns they were able to persuade more and more companies that a staff canteen, if operated in the right way, could raise morale and even help keep down staff turnover. That was a fine argument, of course, at a time of labour shortages. And steeply rising food prices also helped promote the good times for the industrial caterers.

Biggest in the field is Gardner Merchant, a Trust Houses Forte subsidiary. Its main national competition comes from Bateman and Midland catering, both offshoots of the Grand Metropolitan group, and Sutcliffe, part of Olympia (and, therefore, of Sterling Guarantee Trust). In spite of their powerful presence, there is still room for many smaller, locally-based companies.

The industrial caterers insist that what they really offer is better service and better facilities for the employees using a canteen. This might not actually save the customer company much money. But the big caterers can certainly get their food more cheaply by relying on the bulk buying power of their parent organisations. Both Bateman and Gardner Merchant, for example, buy through their respective parent groups and whether purchases are made locally or centrally they can buy at much better prices than an individual company.

As well as being able to provide the food more cheaply, the industrial catering should also enable a company to save on staff costs. Not the least of the savings is when management is released from the generally unpopular task of "running the staff canteen." Because it is so isolated from the mainstream of business activity in most companies, few managers are likely to want to specialise in catering. How do you help yourself up the career ladder by that route?

Companies which do their own catering are also likely to have to carry extra staff to cover absence through illness or holidays in the restaurant itself and in administration. The catering organisation can instead draft in replacement staff at such times making it possible to keep the permanent staff complement as low as possible.

The catering concern is also likely to be able to offer a much better career structure to specialist staff such as chefs and restaurant managers than individual companies carrying out their own catering. As a result a higher quality of staff can be attracted and the result should be a better service to the employees.

During the boom years for industrial catering, labour shortages produced some rather unfortunate experiments in industrial catering—unfortunate in that they did not, in the end, prove particularly successful. Experiments with frozen complete meals and with infra-red heating of food did not always pay off as far as the consumer was concerned. In institutions such as schools which have a "captive" consumer, such experiments had no noticeable effect. But where the eating population could "vote with its feet"—such as in the industrial cafeteria—there was often a noticeable drop in sales.

Some experiments were successful though. The frozen chip and some other frozen vegetables passed consumer tests with flying colours. Some equipment, such as forced-air convector ovens, also succeeded.

According to Mr. Barry Mair, of Four Square Catering and Vending, the Mars subsidiary, the modern industrial caterer must systemise the way food is prepared and served—"take the farmyard out of the kitchen" is the way he puts it.

Sometimes when a company closes down its cafeteria it uses the space—or some other available area—for a snack area: a place where employees can take their pick from a selection of food and drink vending machines.

Vending

Like industrial catering, the vending business has a cycle of demand which moves up and down with the employment statistics. The main operators in this market—Four Square and Eurovend, another American-owned concern—find their own place in the field strengthening as other, smaller concerns go out of business. Ten or 11 have done so in recent months. The casualties have usually lacked the liquidity to face the fall in trade and their trade has fallen because they have not diversified in the way that the majors have.

Four Square, for instance, introduced a machine a couple of years ago that was designed for the smaller office or factory. This offered the innovation of the ingredients being packaged separately in a cup. This leaves the machine only to deliver hot or cold water and cuts down on cleaning and maintenance considerably.

The Mars subsidiary is not alone in this field now, and there is a growing tendency for these machines to be introduced to big sites even though the site might have the kind of turnover to support the larger types.

As it is, there are around 110,000 of the large vending machines installed in the U.K. and the number is currently reducing. But there are already 28,000 of the smaller types and their numbers are growing in spite of the recession.

In spite of its up and downs, the vending industry has made remarkable progress in the U.K. over the past decade. The machines have proved themselves to be cheaper than the tea trolley and less time consuming than the official break. And, as anyone who has used them consistently over the ten years, the companies have made enormous strides in improving the quality of the product which the machine delivers.

It remains to be seen how long it will take for hot food vending machines to establish themselves in Britain to the extent that the hot drinks machines have done. For there is still much consumer resistance to the "automated canteen."

But the day might come. GKN Sankey, British vending machine market leader with over 19 years' experience in manufacturing as well as sales and service, has recently installed what it describes as the Micro-Vend Buffet at the new patients' centre at the Royal National Orthopaedic Hospital, Stanmore. This make available plated snacks, full meals and desserts and a selection of nine hot or cold instant beverages through a combination of various machines. It is providing "a necessary supplement to our conventional catering operation," according to the hospital's catering manager.

Kenneth Gooding

The Pope's Grotto, a Young's public house in Twickenham, refurnished by Bullers Furnishing Contracts.

Concept

CONTINUED FROM PREVIOUS PAGE

establishment over the steak house were dramatically illustrated by the sudden demise of the London Eating Houses group last September. LEH prospered as a franchise for Wimpy Bars and Mr. Ali Salih, the man who created and ran LEH, had 19 Wimpy's at the time it went under. It was when Mr. Salih traded up to steak house operations—he called his Aberdeen Steak Houses—that he ran into the problems which brought LEH down.

Fast food operations have many advantages. The cooking is relatively simple and quickly taught, even to people who do not speak the language. (Mr. Salih employed several hundred Turks). Administration is potentially under tight control and labour is cheap. This is not so true for steak houses, although the successful people in that business certainly have financial control and food portion control developed to a fine art.

It has taken the U.K. a long, long time to take to the hamburger. But now it is well on the way to replacing fish and chips as the best-selling fast food.

Wimpy welcomes McDonald's move into Britain because "this healthy competition will put our franchisees on their toes. And McDonald's will help spread the gospel of the hamburger in Britain."

At McDonald's they have no doubts. By the 1980s the hamburger will certainly have taken over from fish and chips, they insist.

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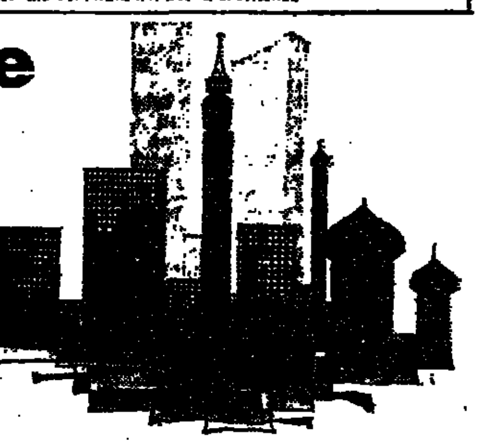

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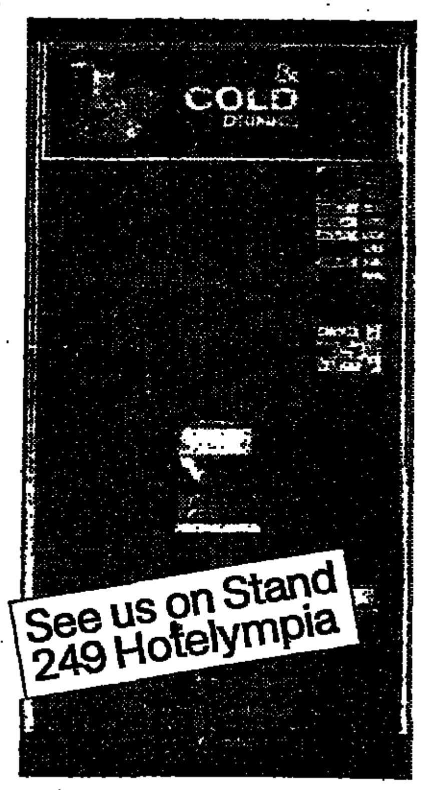

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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Up another 11, despite profit-taking

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Jan. 12.

EARLY PROFIT-TAKING was quickly absorbed on Wall Street to-day and the upward movement was resumed in active trading.

After opening 3.46 off at 907.63, the Dow Jones Industrial Average moved ahead to 922.39, for a net gain of 11.26. The NYSE All Common Index further advanced 70 cents to $50.99, while rises outnumbered falls by more than a three-to-one majority. Trading volume expanded 3.93m. shares to 30.44m.

Analysts continued to attribute the New Year's rally to indications that the recent economic recovery will persist for several months.

The Commerce Department predicted that the economic expansion will continue through the year with almost all U.S. industries benefiting from sales gains.

In the Banking Industry, a prime rate cut to 7 per cent. from 7¼ per cent. became widespread.

Bank shares, however, were lower on some adverse Press comment. Citicorp, parent of First National City of New York, was the most active issue and shed $½ to $29¾ on a turnover of 866,900 shares. Chase Manhattan fell $¾ to $27¼.

Aztec Oil and Gas jumped $3 to $27¾—Southland Royalty, Mesa Petroleum and Houston Natural Gas have each announced bids for Aztec shares.

Burroughs climbed $3 to $90¾—it said worldwide orders in the fourth quarter of 1975 rose 25 per cent. from the same period a year earlier.

Polaroid rose $1 to $36¼—it will held a Press Conference to-morrow to preview "new developments" by the company.

Texas Instruments gained $1¾ to $100¾ on the introduction of a compact portable computer terminal.

Honeywell picked up $2 to $37¼ on plans to strengthen its position in the computer market.

Marley were lifted $5¼ to $38, U.S. Steel rose $1⅛ to $72½, General Motors $1 to $61¾, Dana $4 to $46¼, Avnet $1½ to $13½ and Avon Products $2 to $37⅜.

The American SE Market Value Index moved up 1.41 to 90.23, while advances led declines by 524-to-220.

Sherwood Medical Industrials rose $2 to $13½ on improved prospects. Syntex put on $2¾ to $32⅞, Presley $1⅞ to $10, and Kewanee Industries $2½ to $16.

Canadian Stock Markets were lost 1.39 to 255.14 and Banks gave way 2.24 to 239.00.

Pacific Petroleums rose $¾ to $28¼, Bow Valley Industries $1 to $16¾ and Hudson's Bay Oil and Gas $¾ to $36.

PARIS—Mixed to lower. Profit-taking followed concern over the proposed limited Cabinet reshuffle, and the Paris transport strikes called for to-day by the main unions.

Engineerings, Stores and Chemicals were lower.

Americans, Germans and Coppers rose slightly, Dutch issues and Oils were mixed, while Golds were under pressure.

BRUSSELS — Predominantly higher following continued active trading.

Metals advanced. Union Miniere rose B.Frs.50 to 1,370, and Vieille Montagne B.Frs.75 to 4,375. Steels finished little changed. In mixed Chemicals, Solvay lost B.Frs.60 to 2,055, but Gevaert put on B.Frs.10 to 1,206.

Electricals and Utilities were narrowly mixed. In higher Holdings, Societe Generale gained B.Frs.30 to 2,720. Oils eased.

U.S. shares were mixed, Dutch issues rose modestly, German and French stocks were steady, while South African Gold Mines eased.

AMSTERDAM—Broadly higher. In Internationals, Akzo rose Fls.0.60, Royal Dutch Fls.2.10 and Unilever Fls.1.10.

Banks mostly improved, but Algemene Bank Nederland shed Fls.0.50. Insurances and Transportations firmed. KLM advanced Fls.3.30.

Dutch Industrials also mostly gained ground. Pakhoed Holding were lifted Fls.4.80, Hoogovens rose Fls.1.20, Bos Kalis Westminster Group Fls.1.50 and Rijn-Schelde-Verolme Fls.3.40.

Carpet Makers were aided by favourable Press comment.

Papers lost ground—KNP forecast a loss in 1975 and a difficult 1976.

State Loans were steady.

VIENNA—Generally steady.

OSLO — Banks were barely steady, Insurances little changed, while Industrials and Shipping were firmer.

COPENHAGEN—Higher in very active trading.

MILAN—Prices rose an average 1 per cent., following some short covering and support. But activity was generally quite slow.

SWITZERLAND — Mixed in active trading.

Banks were steady, Financials advanced, Insurances declined, while Industrials and Chemicals were mixed.

Elektrowatt rose Frs.40 to 1,490, Motor Columbus Frs.35 to 1,030 and Landis Gyr Frs.10 to 600.

State Bonds again firmed in fairly active dealings.

Dollar stocks also firmed slightly in an active turnover, Dutch Internationals were very steady, while Germans were inclined easier.

GERMANY — Markets tended weaker, reflecting some selling by Foreign investors and also slack buying interest.

Mannesmann dipped DM5.50, Dresdner Bank DM4.50 and Siemens DM3.90.

Leading Chemicals and Motors lost between DM1.20 and DM2.50, while Stores fell up to DM3 and Engineerings gave way up to DM4.

The Domestic Bond Market was mixed. The Regulating Authorities sold about DM6m. nominal of stock. Foreign Mark Loans were firm.

HONG KONG—Prices rose sharply over a broad front, but trading decreased.

Hong Kong Bank were up 60 cents to $HK 19.70, Hong Kong Land 25 cents to 7.70, Jardine 20 cents to 24.50, Swire Pacific 20 cents to 7.70, Hong Kong Electric 15 cents to 4.10, Hong Kong Telephone 10 cents to 16.70 and Hong Kong Kowloon Wharf 50 cents to 15.00.

TOKYO—Very firm in brisk trading, with widespread selective demand for "big-capital" and leading shares. Volume 600m. shares.

Shipyards, Steel Mills and Heavy Electricals firmed on strong demand.

Buying interest also extended to Petroleums, Chemicals and Shippings.

AUSTRALIA—Unsettled in quiet trading.

Among Minings, Utas rose 20 cents to $A9.60 following its one-for-one bonus issue.

BHP came back 6 cents to $A7.0, CSR 10 cents to $A4.05 and Phillip Morris 50 cents to $A10.50.

Retailers, Textiles and Building Material Suppliers turned mixed.

Iron Ore stocks were again out of favour, with Robe River off 7 cents at 81 cents.

Oils were weaker. Woodside Burmah shed 5 cents to $A1.43.

JOHANNESBURG—Gold shares were easier on general lack of interest. Financial Minings also eased although trading was fairly active.

Coppers were mixed, while Platinums and other Metals were firmer.

Industrials were little changed.

OTHER MARKETS

Canada mostly higher

Canadian Stock Markets were mostly higher in moderate trading yesterday.

The Industrial Share Index gained 0.49 to 177.19, Base Metals 0.10 to 75.40, Western Oils 2.62 to 204.54, Utilities 1.06 to 128.96 and Papers 1.11 to 100.08. But Golds

Indices

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Jan. 12	107.85	96.33
" 9	106.24	94.95
" 8	105.79	94.58
" 7	105.08	93.95
" 6	104.62	93.33
" 5	103.53	92.38
" 2	101.64	90.90
Dec. 31	100.88	90.19
" 30	100.46	89.77

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Jan. 8	Dec. 29	Dec. 13
On Dividends	5.54	5.89	6.00
On Earnings	7.20	9.77	9.94

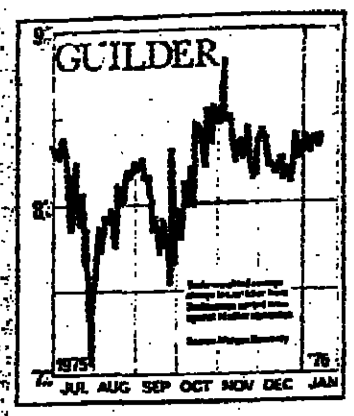
SYDNEY ALL ORD. INDEX

Dollar recovers

The U.S. dollar recovered in the foreign exchange market yesterday after losing ground in early dealings. A further easing of U.S. interest rates, following the decline in the federal funds rate in New York on Friday, had an early depressing effect on the U.S. unit but support by the major central banks tended to be scattered and the scale of assistance was not at the same level as in the early days of last week. The dollar's trade-weighted average depreciation since the Washington Currency Agreement of December 1971, as calculated by Morgan Guaranty of New York on noon rates, widened slightly to 2.10 per cent. from 1.99 per cent. on Friday.

Sterling showed little overall change against the dollar or major currencies in general. The pound opened at $2.0305-2.0[illegible] and remained at $2.0320-2.0330 for most of the morning before touching a high point of $2.0[illegible]-2.0345. Sterling closed at $2.0[illegible]-2.0315, a gain of 5 points on the day. Its trade-weighted average depreciation since the Washington Agreement, as calculated by the Bank of England, was unchanged at 30 per cent. and remained at that level throughout.

Gold closed unchanged at $136¾-137¼, but turnover was fairly active, though the metal traded within very narrow range. The krugerrand finished at $139½-141½ (£68½-69½) for domestic delivery against $139½-141½ (£68½-69½) previously. The coin's premium over its gold content narrowed to 2.55 per cent., but was unchanged at 2.74 per cent. in the international market.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Jan. 12	Jan. 9
Sterling	0.577707	0.577776
U.S. dollar	1.17442	1.17341
Belgian franc	46.0167	46.0593
Deutsche mark	3.05173	3.05556
French franc	5.22852	5.22989
Italian lira	800.837	800.970
Japanese yen	359.573	359.122

EXCHANGE CROSS-RATES

Jan. 12	Frankfurt	New York	Paris
Frankf'rt	—	2.600-601	58.30-40
N. York	32.29.40	—	28.22.26
Paris	171.225-625	4.447-457	—
Brussels	15.07-10	53.17-20	8.78-81
London	5.224-234	2.0305-15	9.08-09

GERMANY ♦

Jan. 12	Price Dm.	+ or —	Div. %	Yld. %
A.E.G.	94.8	—1.2	—	—
Allianz Versich.	452		17	1.9
B.M.W.	263	—2.5	14	2.6
BASF	160	—2	17	—
Bayer	133.3	—1.2	17	6.0
Bayer Hypo	334	—1	18	2.7
Bayer Vereinsbk.	334xr		18	2.5
Commerzbank	216	—0.9	18	4.2
Contl. Gummi	103.5	—2.2	—	—
Daimler	340.5	—1.5	18	2.1
Degussa	245.5	—0.5	18	3.6

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60—per £1—113% (111¾%).

FARMING AND RAW MATERIALS

[Co]coa [m]arket [he]sitant

[By Ou]r Commodities Staff

[THE] MAIN crop cocoa pur[chases] were slightly lower than [expected] last week, at 12,654 [tonnes but] this had no significant [effect on] the market.

[Londo]n futures values opened [slightly] below Friday's closing [levels b]ut recovered during the [day, he]lped by a firmer U.S. [market.] The May position closed [£2.75 hi]gher, at £715.75 a tonne.

[The] Ghana purchases figure [brings t]he 15-week main crop [total t]o 330,345 tons, against [...] at this stage last year.

[The main] reason for the market's [hesitanc]y is uncertainty about [demand] in the U.K. and West [German]y during the last quarter [of 1975], which will be revealed [by grin]dings figures due to be [publish]ed this week.

[The] U.K. figure is generally [expecte]d to be unchanged to 5 [per cen]t. up on the same quarter [in 1974,] while the West German [figure i]s forecast as unchanged.

[The] unexpectedly small in[crease] in U.S. consumption [announ]ced on Friday may have [dented] traders' confidence.

[The] Commonwealth Secre[tariat h]as forecast a world cocoa [surplus] of 35,000 tonnes for this [season. I]t puts 1975-76 production [at 1,5]0,000 tonnes—5,000 down [on last] season — and 1976 grind[ings at] 1,470,000 tonnes — 60,000 [up on 1]975.

[After] dropping sharply in [early d]ealings, coffe prices on [the Lo]ndon terminal market re[covered] strongly to finish only [margina]lly lower on balance. [The Ma]rch position fell to £828 [a tonne] at one stage, but ended [the day] only £0.5 lower at £837.5

[Exp]orts of U.K. [farm] machinery [brea]k record

[By Ou]r Commodities Staff

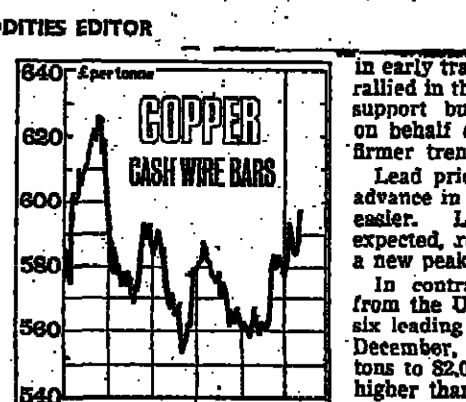
[A RE]CORD breaking export [total o]f £574m. was reached by [the U.]K. tractor and farm [machine]ry industry in the first [11 mon]ths of 1975.

[This] was 50 per cent. up on [the com]parable 1974 period and [surp]assed the industry's ex[port ta]rget for the year of [£500m.,] said the Agricultural [Enginee]rs Association. The [export]s sales helped to move [the bal]ance of trade in Britain's [favour] despite a 41 per cent. [rise in] imports, from £117.8m. to [...]

[Expor]ts of tractors up from [...] to £276.4m. and engines [for trac]tors and combines (up [from £]2.7m. to £7.1m.) showed [the bigg]est gains, as did imports [in the] two categories up from [...] to £26.3m. and £2.7m. re[s]pectively.

Copper prices up again despite stocks rise

BY JOHN EDWARDS, COMMODITIES EDITOR



COPPER PRICES advanced strongly on the London Metal Exchange yesterday, despite another higher-than-expected increase in warehouse stocks.

In very active trading conditions, cash wirebars gained £10.25, closing at £597.5 a tonne, and moved up still further on the late kerb.

Trading opened on a buoyant note. Speculative sentiment appeared to be growing more optimistic again, reflecting the mood in the New York market on Friday night. Chartist buying and covering of previous sales at the higher levels helped to maintain the upward trend.

The strength of stock markets in New York and London has encouraged a more hopeful outlook for demand prospects, taking the view that the shares rise anticipates a general recovery in industrial activity.

The possibility of increased military activity in Angola is being cited as another of the various "bullish" influences. One dealer even pointed out yesterday that Old Moores Almanac had predicted a monetary explosion this spring!

The rise in warehouse stocks of 4,325 tonnes—about double market forecasts—to a record total of 508,075 caused a shortlived setback to higher prices. But buying enthusiasm soon returned, although coming mainly from speculators.

Consumer demand remains sluggish, but trade selling was more than matched by buying interest when New York opened on a firmer note.

A large fall of 8,300 tonnes in zinc stocks, cutting total holdings to 64,975, had been discounted already. It was believed to represent withdrawals by producers, rather than any sudden extra consumer demand.

In fact zinc values fell sharply in early trading. But the market rallied in the afternoon following support buying, thought to be on behalf of producers, and the firmer trend in copper.

Lead prices, too, followed the advance in copper, after opening easier. LME lead stocks, as expected, rose by 800 tonnes to a new peak of 88,500.

In contrast, it was reported from the U.S. that stocks of the six leading refiners there fell in December, by over 1,500 short tons to 82,069, still nearly 44,000 higher than a year ago.

According to the Lead Industries Association Inc., output by U.S. refiners fell by 9 per cent. in 1975, to 641,389 short tons, but shipments declined by 21 per cent. to 597,177 tons.

A fall of 120 tonnes in tin stocks, reducing the total to 7,240, was a smaller decline than expected. At the same time, the Penang price also eased over the weekend, but London values showed only a marginal decline.

Reuter reported from Singapore that shipments of Straits refined tin from Penang in 1975 fell to 78,289 tonnes, compared with 85,830 in 1974, according to the Straits Trading Co.

LME silver holdings fell by 350,000 to 17,480,000 ounces.

Japan sugar deferment plan

TOKYO, Jan. 12.

A JAPANESE Sugar Refiners Association mission to Australia next wek is expected to ask for the deferment of 150,000 to 200,000, out of 390,000 tonnes of raw sugar scheduled for shipment to Japan in the first half of 1976 until after July, 1980.

It will also ask CSR Ltd. for five-year deferred payments on the remainder of this year's first half shipments.

Japan is contracted to import 600,000 tonnes of Australian raw sugar annually over five years, starting in July last year, at a fixed price of £228.8 a tonne.

But the Japanese sugar industry is operating at about 40 per cent. below capacity and holds stocks of raw sugar totalling 600,000 tonnes, mostly imported when the international market was at its peak, the Association said.

In September last year, CSR agreed to a Japanese proposal to defer 90,000 tonnes, out of 300,000 tonnes originally scheduled for shipment in the second half of 1975, to the first half of this year.

India's 1976 sugar exports could fall to 600,000 tonnes, from 1.3m., in 1975 following a production shortfall, the immediate past president of the Indian Sugar Mills Association, Mr. Maruthai Pillai, said in Madras.

Sugar production this year was expected to fall to around 4.5m. tonnes, compared with the 4.8m. tonnes record in 1975, he added.

London traders were not impressed with this forecast, however. It was pointed out that the projected cut in exports was 700,000 tonnes, compared with an estimated 300,000 output reduction. Reuter

'Prawn war' threatened

BY OUR OWN CORRESPONDENT CANBERRA, Jan. 12.

THE AUSTRALIAN Government is being pressed to take action to avert a threatened "prawn war" in the Gulf of Carpentaria. Australian and Taiwanese prawn fishermen are vying for catches in the gulf with increasing hostility.

A navy patrol boat, HMAS Barricade, to-day made the second arrest of a Taiwanese trawler in that area in three days for alleged illegal fishing and the Queensland State Government decided to ask for action to have the entire gulf declared Australian waters.

The prawning season does not open officially for several weeks yet, but there has been a steady build-up of activity. Australian fishermen claim that prawn beds are being seriously over-exploited by the Taiwanese, who have about 60 trawlers in the gulf working around the clock.

A Taiwanese trawler accused of fishing illegally was held at gunpoint until the arrival of a navy patrol recently and there have been fears that such incidents could escalate.

Last night Mr. James Killen, the Defence Minister, said: "I am anxious that we don't let this escalate into the sort of grave national confrontation that exists between Iceland and Britain.

Mr. Killen said he was examining ways of taking the Gulf out of international waters, but it was a difficult legal question.

MPs call for potato price curb

By Peter Bullen

POTATO PRICES broke through the 10p a lb. barrier yesterday, reaching a new peak of 11p in some shops. At the same time, MPs called for Government action to peg prices and improve supplies and quality.

But there seems little chance of better supplies until much later in the year, and then only providing conditions are favourable for the next crop. The amount of potatoes available is estimated to have dropped by a disastrous 1.8m. tons, to just over 3m. tons, because of bad growing conditions last year.

Mr. Gwilym Roberts, Labour MP for Cannock, wants a maximum retail price of 10p a lb. introduced. He said yesterday that he would ask Mrs. Shirley Williams, the Prices Secretary, to have talks with the National Farmers' Union and wholesalers with a view to fixing this maximum price, with their consent.

If they did not agree she would use her powers to impose the level. If farmers or wholesalers felt their profits were being eroded too much, they could have their case investigated by the Price Commission. Mrs. Williams should if necessary, pay a temporary subsidy to stop prices exceeding 10p a lb.

Another MP, Mr. Teddy Taylor (C. Glasgow, Cathcart) is to ask for a Government inquiry into the price and quality of potatoes.

"While food prices have been increasing quite sharply, the rise in the price of potatoes threatens to place this basic item in family feeding in the luxury class," he said.

"The quality of some potatoes being sold to-day is also quite disgraceful, with rotten, mis-shapen, diseased and unpalatable potatoes being sold in place of the splendid quality the public has been accustomed to buy."

THAILAND RICE

BANGKOK, Jan. 12.

Thailand concluded agreements with Singapore, Japan and Malaysia last week to sell a total 22,392 tonnes of rice of various grades on a government-to-government basis, valued at about 120m. Baht, Commerce Ministry sources said.

Meanwhile, two vessels from China are due to arrive here this week to take on 10,000 tonnes of white rice 15 per cent. So far about 40,000 tonnes has been delivered to China, against 200,000 it contracted to buy from Thailand.
Reuter

NEW ZEALAND WOOL

Prospects for 1976 much brighter

BY DAI HAYWARD IN WELLINGTON

PROSPECTS FOR New Zealand wool in 1976 are much brighter than they were at this time last year—or even at the opening of the 1975-76 season in July.

Wool men are confident that prices, which averaged 140 cents a kilo at the end of 1975, will at worst be maintained into the 1976 sales.

There are reasonable indications that they will improve by another 5 to 10 cents over the first six months of 1976; with some luck and an early economic recovery in the U.S. and Europe, they could advance even more.

Expressions such as "significantly better than last year" are being used by New Zealand's wool industry leaders in discussing future prospects.

Several optimistic factors support the increased confidence in the wool market. A slump in the wool trade appears to be bottoming out at last and demand for wool will rise over the next few months. Mills which reduced stockpiles to the lowest possible level are having to restock.

With prices showing a steady increase over the past five months, many mills are likely to increase their buying, rather than live on a hand to mouth basis. They will be looking to acquire stocks before prices go higher.

Bigger demand from countries such as China (which did not buy one bale of wool on the NZ market last year) and Iran (doubling its buying this season) and stronger demand from Japan and Eastern Europe will all have a firming effect on prices.

In the first half of 1976, China is expected to buy another 20,000 bales. With the 10,000 bales shipped prior to Christmas, this will bring China back to the average buying level of the past five years.

Poland has already bought more wool than she did last year and is expected to buy a total of 45,000 bales before the season ends next July. This will be double its purchases of five years ago. Good long-term prospects of buying by other Eastern European countries are also seen.

Iran, which tends to be an aggressive buyer, has already doubled its buying by the end of October, with 40,000 bales, against 20,000. Greece, which doubled its buying last season to 102,000 bales, is expected to stay in the market as a substantial buyer.

All these factors together support the quiet and cautious optimism.

Stockpile

NZ wool prices this season already show a significant increase over those ruling at the close of last season. By the Wellington sale in November, the average price had crept up to 126.94 cents per kilo, compared with 89.99 at the corresponding point in 1974. In December, prices advanced further, bringing the average to 140 cents, and there is every reason to believe this trend will continue at the first sale in 1976, in Invercargill to-morrow.

The changing pattern of the NZ market is reflected in the role of the Wool Marketing Corporation. In December, half-way through the current season, the Corporation had bought about 20,000 bales as a result of its intervention policy. This compares with the 60,000 bales bought last year.

It is not only the reduced level of buying which is important. The Corporation has sold a considerable quantity from its stockpile at a healthy profit, selling more than 90,000 bales in the past five months.

It has made a total profit of more than $5m. this season on wool bought last year to support prices. At one stage in October, it made a $1m. profit in one week, which was increased to $2½m. over a month or so.

The Corporation opened this season with 213,088 bales in its stockpile, but now has only 140,000. More than 40 per cent. of this is fine wool. This is out of proportion to the total NZ production, of which only about 20 per cent. consists of fine wools. That the Corporation has had to bid on and buy this disproportionate percentage, indicates the market weakness for this type of wool.

Last year the Corporation bought 300,000 bales and sold 106,000, finishing with just over 200,000 in the stockpile. This year it has played a different role—sustaining the market with its intervention price levels, but having to acquire only about 20,000 bales of fine wools as buyers accepted the prices being maintained.

The aim of the Corporation is to bring stability into the market and particularly to arrest the fall in prices. It has a flexible policy which it will maintain into 1976.

It will release wool from its stockpile to suit the market and has no intention of acquiring or holding huge quantities for the sake of having a stockpile. Nor is it frightened to acquire a large amount of wool, if it thinks it is necessary to hold prices.

Experience over the past decade—which has twice seen huge stockpiles disposed of at a profit—has given the Corporation confidence that it can repeat this policy.

U.S. trims cotton production forecast

WASHINGTON, Jan. 12.

THE U.S. Department of Agriculture has cut its estimate of the 1975-76 U.S. cotton crop to 8.3m. bales from the 8.47m. forecast on December 11. The latest estimate, based on conditions at January 1, is a drop of 28 per cent. from the 11.5m. bales produced from the 1974 crop.

The USDA says it has cut its estimate of upland cotton production to 8.2m. bales, from 8.4m. forecast last month, and sharply below the 11.4m. produced last year.

Growers harvested 9.06m. acres this year, 28 per cent. less than 1974, while the average lint yield per harvested acre is estimated at 441 lbs, unchanged from 1974.

USDA analysts say they expect end-of-season stocks next July 31 to fall to around 4m. bales, with prices maintaining their recent improvement. That would induce farmers to switch some of their acreage back into cotton this spring.

On cottonseed production from the 1975 cotton crop, the USDA says its estimate of 3.3m. short tons is unchanged from its forecast last month. The estimate, also based on January 1 cotton crop conditions, compares with 4.56m. tons finally produced from the 1974 crop.
Reuter

[CO]MMODITY MARKET REPORTS AND PRICES

[BAS]E METALS

[COPPER]—Sharply higher in active [trading o]n the London Metal Exchange. [Forward] metal opened at £611 in pre-[market d]ealings and rose to £614 on [...] and general buying. Follow[ing the] larger-than-expected rise in [...] stocks, however, the price [fell bac]k to £612. Short covering then [...] price up to £616 and the [...] [illegible]

[COPPER]	a.m. Official	+ or —	p.m. Unofficial	+ or — †
[Wirebars]	£	£	£	£
[Cash]	591.5-2	+8	597-8	+10½
[3 months]	611-.5	+8	617-.5	+10.5
[Settlem't]	592	+8	—	.....
[Cathodes]				
[Cash]	580-.5	+6.5	585.5-6.5	+10½
[3 months]	599.5-600	+5.5	605-6	+10½
[Settlem't]	580.5	+6.5	—	.....
[U.S. Prod.]	—	.....	*63-63.7	.....

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or † —
High Grade	£	£	£	£
Cash	3020-2	—2.5	3065-7	—3
3 months	3134-5	—2.5	3133-5	—1
S'ment	3072	—3	—	.....
Standard				
Cash	3068-70	—2	3065-7	—3
3 months	3134-5	—2.5	3133-5	—1
S'ment	3070	—2	—	.....
Straits E.	$1958	—2	—	
New York	*298.00	.....		.....

[illegible]

COFFEE

Robusta terminal eased sharply after the opening call. By mid-morning, trading values were between £6 and £9 lower.

Trade and Commission House sources said the lower trend reflected speculative profit-taking, the easier New York "C" Contract trend and a technical reaction [illegible]

SILVER

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

COCOA

[illegible]

GRAINS

[illegible]

FREIGHTS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Jan. 12 1976	+ or —	Month ago
Metals			
Aluminium(x)	£420	....	£420
Free Maket (cif)	£535-545	....	£535-545
Coppers			
Cash Wire Bars (x)	£597.5	+10.25	£560.75
3 months do. do.(x)	£617.25	+10.5	£580.75
Cash Cathode (x)	£586	+10.75	£548.75
3 months do. (x)	£605.5	+10.75	£568.5
Gold........Troy oz.	$136.75		$138.75
Lead Cash (x)	£188.375	+0.75	£162.625
3 months (x)	£173.375	+0.75	£170
Nickel (x)	£2,422.5	....	£2,415
Free Market(cif)(lb)	$1.9-2.05	....	$1.85-2.0
Platinum (♣)troy oz.	£78¼-81½	....	£78¼-81½
Free Market	£71.25	—0.25	£70.65p
Quicksilver(76lb)	$77-80	....	$78-82
Silver Troy oz.	207.85p	—0.45	196.4p
3 months	213.75p	—0.35	201.8p
Tin Cash (x) §	£3,066	—3.0	£3,087.5
3 months (x)	£3,134	—1.0	£3,147.5
Wolfram 22.04lb. cif	£42.5-44.5	....	£42.5-44
Zinc Cash (x) §	£341.25	—0.125	£338.75
3 months (x)	£352.25	—0.125	£349.25
Producers	$795	....	£390
Oils			
Coconut Malayan	‡	....	‡
Groundnut			
6%	£372	....	£387
Linseed Crude (x)	£377	....	£377
Palm Malayan (x)	£174	—1.0	£182
Soyabean (x)	‡	....	‡
Seeds			
Copra Philipp ton	$203	+2.0	$207.5
Gr'nuts Nigerian	‡		†
Linseed Can No. 1	£158.5	+6.0	£155
Grains			
Barley EEC	£66	....	£65.75
Home Futures	£63.25	....	£62
Maize			
French No.3 Am.	£65.5	....	£66.15
S.A. Yellow	‡	....	£67.25
Wheat			
No. 1 Red Spring	‡	....	‡
No.2 HardWinter	‡	....	‡
Australian(f.a.q.)	‡	....	†
English Milling	£67.5	+1.5	£67
Cocoa Shipment (x)	£764	—8.0	£714
futures May	£715.75	+1.25	£690.75
Coffee Shipment (c)	†	....	‡
futures Mar. (x)	£837.5*	—0.5	£774.5
Cotton 'A' Index			
cent	65.65*	+0.1	57.7
Jute LJABWC (d)	£196	....	£195
Rubber........kilo	36.5p	—0.75	35.25p
Sisal EA3L (x)	$600*	....	$600*
Sugar (Raw)	£168	—1.0	£162
Wooltops 64s....kilo	210p	....	210p
Cloves (Madagascar)	£2,400	....	£2,480
Pepper White...ton	£960	....	£925
Black...ton	£755	....	£750

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h Jan.-March. x Metric tons. r Sept.

FINANCIAL TIMES

Jan. 12	Jan. 9	Month ago	Year ago
177.44	175.91	170.26	181.63

(Base: July 1, 1952=100)

REUTER'S

Jan. 12	Jan. 9	Month ago	Year ago
1180.8	1192.3	1160.5	1152.2

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Jan. 12	Jan. 9	Month Ago	Year ago
Spot	303.76	302.61	293.14	352.26
Futures	297.16	294.18	282.13	321.33

(Average 1924-25-26=100)

MOODY'S

Moody's	Jan. 12	Jan. 9	Month ago	Year ago
Sple Comm'ty	762.2	767.1	745.5	782.4

(Dec. 31, 1931=100)

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 969 [illegible]

Good dealer buying lifts coffee

NEW YORK, January 12.

SILVER closed strong with mixed activity, following strength in grain. Coffee finished 120 to 200 points higher on good Commission House buying. Heavy chartist buying closed grains firm. After initial Commission House buying rallied copper, European hedge selling closed copper near unchanged. Cocoa closed easier on Commission House liquidation, Bache reports.

Cocoa—Ghana spot 74 (74½). Bahia spot 71½ (72). March 64.40 (65.15). May 61.95 (62.45), July 60.05, Sept. 59.55, Dec. 58.20, March 54.90, May unquoted. Sales: 1,342.

Coffee—"C" Contract: March 93.65 (91.65), May 93.25 (91.45), July 93.70-93.65, Sept. 93.75-93.90, Dec. 93.55-93.80: Sales: 581.

Copper—Jan. 56.70 (56.60), Feb. 56.90 (56.60 settlements), March 57.30, May 58.10, July 58.90 settlements. Sales: 2,727.

Cotton—March 62.99-63.07 (62.40), May 63.50-63.90 (63.10), July 63.66, Oct. 60.90-60.95, Dec. 58.40-58.50, March 58.85-59.00, May 59.00 bid. Sales: 4,050.

♣Gold—Jan. 138.40 (same), Feb. 136.90 (same), March 137.30, April 138.00, June 139.20, Aug. 140.60, Oct. 142.00, Dec. 143.40, Feb. 144.90, April 146.50. Sales: 769.

Greasewool—Spot 17.00 nom. (same), March 165.0-170.0 (163.0), May 161.0-169.0 (161.0), July 160.0-165.0, Oct. 160.0-165.0, Dec. 160.0-165.0, March 160.0-165.0, May 160.0-165.0.

†Lard—Chicago loose 17 nom. (same). NY prime steam 18½ bid (same).

††Maize—March 270-269½ (268½), May 275½-276 (272½), July 279½-279½, Sept. 277½, Dec. 269½-270, March 276.

‡Platinum—Jan. 143.90 (145.00), April 146.00 (147.30), July 148.60, Oct. 152.00, Jan. 155.00, April 158.20-158.30. Sales: 447.

‡‡Silver—Spot 428.50 (423.50), Jan. 430.30 (423.50), Feb. 431.00 (424.00), March 433.50, May 439.00, July 444.70, Sept. 450.50, Dec. 459.60, Jan. 462.60, March 468.70, May 474.90. Sales: 12,120.

*Soyabeans—Jan. 481-480 (467½), March 488½-487 (475½), May 496-497, July 504½-504, Aug. 507-508, Sept. 514, Nov. 517-519, Jan. 522.

hSoyabean Meal—Jan. 131.50-131.90 (131.70), March 137.50-137.20 (138.30).

Soyabean Oil—Jan. 17.20-17.25 (16.15), March 17.29-17.29 bid (16.25), May 17.47-17.47 bid, July 17.65-17.65 bid, Aug. 17.75, Sept. 17.90, Dec. 17.90.

Sugar—Spot 14.35 (14.50), March 14.18-14.15 (14.09), May 14.10-14.08 (14.01), July 14.03, Sept. 14.03, Oct. 14.00-14.05, Jan. 13.92 nom., March 13.95-13.97, May 13.94-13.91. Sales: 2,528.

Tin—285.00-311.00 (285.00-311.00 asked).

**Wheat—March 362-361½ (351½), May 365½-368 (357½), July 369½-371, Sept. 377, Dec. 384-385.

WINNIPEG, Jan. 12. ††Rye—May 258½ bid (252½), July 253½ (258½ bid), Oct. 248½ bid.

cOats—May 170 (168), July 163½ bid (163 asked), Oct. 156½ nom.

§Barley—May 244 (241½ bid), July 239-239½ (237½ bid), Oct. 233 bid.

dFlaxseed—May 696 bid (690 bid), July 683 asked (685 asked), Oct. 660 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 455½ (370½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ♣ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

[CO]MPANY NOTICES

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

(Incorporated in the Republic of South Africa)

DIVIDEND NO. 100

[A]n interim dividend (No. 100) of 40 cents per share in the currency of [the Re]public of South Africa has been declared in respect of the year ending [... J]une, 1976 (1975 interim: 40 cents per share).

[T]he dividend is payable to members registered in the books of the Company [at the] close of business on 23rd January, 1976, and to persons presenting to the [Londo]n Bearer Reception Office Coupon No. 100 detached from share warrants [to bea]rer in terms of a notice to be issued by the London Secretaries and [publish]ed in February 1976.

[T]he dividend is declared subject to conditions which can be inspected at or [obtain]ed from the Company's Johannesburg Office, the Office of the London [Secret]aries (Barnato Brothers Limited of 27 Austin Friars, London EC2N 2EY) [and the] London Bearer Reception Office (7 Rolls Building, Fetter Lane, London [EC4A 1]HX).

[S]ubject to the said conditions, payments by the London Secretaries and [the L]ondon Bearer Reception Office will be made in United Kingdom currency [at the] rate of exchange quoted by the Company's bankers on 16th February, [1976,] provided that in the event of the Company's bankers being unable to quote [such a] rate of exchange on that day, then the currency of the Republic shall [be con]verted at the rate of exchange quoted by the Company's bankers on the [next s]ucceeding day on which such a rate is quoted.

[D]ividend warrants will be posted from either the Johannesburg Office or [the Of]fice of the London Secretaries, as appropriate, on 25th February, 1976.

[S]outh African Non-Resident Shareholders' Tax at the rate of 15 per cent. [and U]nited Kingdom Income Tax will be deducted from the dividend where [applic]able.

[T]he Share Transfer Books and Register of Members will be closed from [24th] January to 31st January, 1976, both days inclusive.

By Order of the Board,
C. A. I. CLARKE
Secretary.

[Head] Office and Registered Office:
[Conso]lidated Building,
Fox and Harrison Streets,
[(P.O.] Box 590),
[JOHA]NNESBURG.
[... J]anuary, 1976.

FREE STATE DEVELOPMENT AND INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

DIVIDEND NO. 7

[A] dividend (No. 7) of 4 cents per share in the currency of the Republic [of S]outh Africa has been declared in respect of the half year ended [31st] December, 1975.

[T]he dividend is payable to members registered in the books of the Company [at th]e close of business on 23rd January, 1976, and is declared subject to [condit]ions which can be inspected at or obtained from the Company's Johannes[burg] Office or the Office of the London Secretaries (Barnato Brothers Limited [of 27] Austin Friars, London EC2N 2EY).

[S]ubject to the said conditions, payments by the London Secretaries will be [made] in United Kingdom currency at the rate of exchange quoted by the [Compa]ny's bankers on 16th February, 1976; provided that in the event of the [Compa]ny's bankers being unable to quote such a rate of exchange on that day, [then t]he currency of the Republic shall be converted at the rate of exchange [quote]d by the Company's bankers on the next succeeding day on which such a [rate is] quoted.

[D]ividend warrants will be posted from either the Johannesburg Office or [the Of]fice of the London Secretaries, as appropriate, on 25th February, 1976.

[S]outh African Non-Resident Shareholders' Tax at the rate of 15 per cent. [and U]nited Kingdom Income Tax will be deducted from the dividend where [applic]able.

[T]he Share Transfer Books and Register of Members will be closed from [24th] January to 31st January, 1976, both days inclusive.

By Order of the Board,
JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED
Secretaries.
per C. A. I. CLARKE.

[Head] Office and Registered Office:
[Conso]lidated Building,
Fox and Harrison Streets,
[(P.O.] Box 590),
[JOHA]NNESBURG.
[...] January, 1976.

STOCK EXCHANGE REPORT

Equity leaders ease but many good secondary gains

Index 7.2 off at 394.4—Gilts active with gains to 1⅛

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Dec. 29	Jan. 8	Jan. 9	Jan. 20
Jan. 12	Jan. 22	Jan. 23	Feb. 3
Jan. 26	Feb. 5	Feb. 6	Feb. 17

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Compared with last Friday's late burst of strength and activity, yesterday's trade in equity markets was rather sedate. Nevertheless, there was a brisk business—official markings of 10,748 were the highest since April 24 last—with Gilt-edged securities easily the day's best feature. Despite profit-taking and some disappointment with the Wholesale Price Indices for December, gilts still closed with rises extending to 1⅛, after showing gains ranging to 1⅜ at one stage. The Government Securities index advanced 0.33 more to 63.15, thus making an uninterrupted rise of 4.74 over the last seventeen trading days.

Leading equities, however, finally succumbed to profit-taking after having held up quite well in the earlier dealings during the course of a good two-way business. Final falls extended to 6 and sometimes more, and the FT 30-share index reacted 7.2 at the close of 394.4.

In contrast, there were many good gains in secondary issues, although in quite a number of cases these reflected business transacted late last Friday. The good overall showing by equities was mirrored in the 4-1 majority of rises over falls in FT-quoted Industrials and by the FT-Actuaries All-Share index which moved up 0.8 per cent. more to a fresh 1975-76 peak of 167.65; the Industrial Group, also at a 1975-76 peak, rose 1.3 per cent. to 158.99.

Gilts strong again

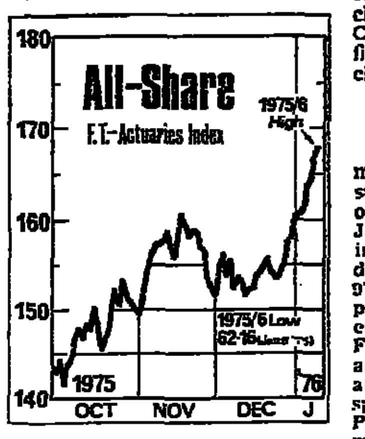
A fair volume of profit-taking did little more than check the surge forward in British Funds which, although ½ and occasionally more below the day's highest, still closed with fresh gains extending to 1⅛. More detailed assessments of the new two "tap" stocks were considered highly favourable and the longs, after opening higher, immediately found renewed support which in still relatively brisk trading took the old "tap," Treasury 13¼ per cent., 1997, "A," up to 97⅛ before a close of 97, a rise of a point on the day and seven and a-half points over the past five days. The shorts were not ignored and, helped by current interest rate trends, advanced across the board. Low-coupon issues registered the larger gains which reflected short shortage, but a more important development was demand for Treasury 9½ per cent., 1980, which edged nearer 96¼: this is the issue price for the £500m. new tranche of stock to be issued this week as a short "tap."

Demand became more noticeable for investment currency and the premium rose to 114 per cent. before closing a net 1¼ points up at 113 per cent. Yesterday's SE conversion factor was 0.6005 (0.6041).

Banks easier

Mild disappointment with the decisions by Barclays, Midland and National Westminster in only reducing their base lending rates by ½ per cent. to 10½ per cent. and so coming into line with Lloyds, brought about a slight reaction in the big four Banks. After improving initially to 325p, Barclays ran back in active trading to close 7 down on the day at 315p. National Westminster declined a similar amount to 260p, after 270p, while Midland gave up 5 to 295p. Lloyds were also 5 off at 250p. Standard and Chartered were active in overseas issues, touching 515p before closing a net 8 higher at 505p. In the wake of the curernt boom in gilts, Discounts started to move higher: ahead of their respective interim statements next Monday and Wednesday, Alexanders put on 7 to 245p and Union hardened 10 to 385p. Generally firm Hire Purchases had British Debt Services 2 better at 15p and Wagon Finance 3 up at 40p.

Considering the hectic activity seen "after-hours" last Friday, the volume of trade in Insurances yesterday was disappointing. Sun Alliance shed 5 to 440p and Eagle Star were 2 lower at 128p. Among brokers, Hogg Robinson stood out, rising 7 to 155p on the sharply higher first-half profits.



Breweries closed mixed after a good turnover. Allied, at 71p xd, lost 2 of last Friday's gain of 5, while Scottish and Newcastle shed a penny to 63½p in front of to-day's interim results. Tollemache and Cobbold, with preliminary results due to-day hardened 2 to 92p. Elsewhere, Distillers ran back 3 to 146p, but Teacher (Distillers) were 6 to the good at 220p. Awaiting news of the discussions currently taking place with Bell Brothers of Western Australia, Emu Wine edged forward 5 to 155p.

Buildings sported many firm spots with the aid of Press comment. RMC hardened 3 to a 1975-76 peak of 90p while Newarthill, at 68p, put on 4. Gains of 5 were scored by IDC, 98p, and BPB Industries, 168p, while David Charles hardened 2 to 24p as did French Kier to 17p. Armitage Shanks, still reflecting the trading statement which accompanied the "rights" issue proposals, edged up 2 more to 78p.

After reaching a 1975-76 peak of 357p, ICI returned to Friday's closing level of 334p. Elsewhere in Chemicals, Coates Bros. "A" finished 4 better at 53p and Fisons closed 5 to the good at 397p.

Marks and Spencer dull

Leading Stores closed with mixed movements following Press suggestions that the high level of trade achieved so far in the January sales seems to be slowing down. Marks and Spencer declined 5 to 103p, while UDS, 97p, and Burton 'A', 30p, shed a penny apiece. "Gussies" 'A' eased 3 to 213p, but House of Fraser ended 2 harder at 81p and British Home Stores 3½ better at 357½p. Secondary issues sported some good gains. Weston Pharmaceuticals improved 3½ more to 47p in active trading, while Currys, 110½p, and A. G. Stanley, 88p, both closed around 8 better. Henderson-Kenton responded to Press comment with a rise of 4 to 42p, while similar improvements were recorded by Austin Reed 'A', 42p, and Wilkinson Warburton, 48p. Courts Bros. 'A' were raised 8 to 88p. Amber Day were quoted ex the "rights" issue at 29p, while the new nil-paid shares opened and closed at 18p premium following a fair turnover. Strong and Fisher continued firmly in Shoes, rising 4 more to 94p for a two-day rise of 10.

After last Friday's late advance, the Electrical leaders improved afresh before reacting to close at the day's lowest. Plessey finished 4 cheaper at 75p, while GEC were a penny off at 150p, after 153p, and EMI 2 easier at 241p, after 246p. BICC contrasted with a rise of 2 to 128p, after 130p. Among firm secondary issues, H. Wigfall were raised 9 to 187p. BSR hardened 3 to 97p following Press comment, while Philips' Lamp picked up 10 more at 930p on overseas advices. Unitech were also notably firm at 110p, up 6.

Hawker, 378p, resisted to a degree, losing only 4 of Friday's rise of 12, but Tube Investments and GKN were reactionary, both falling 6 to respective closes of 320p and 272p. Engineerings otherwise presented widespread firmness, with gains extending to 8. TCK were raised that much to 110p, while Press comment assisted Lake and Elliot, 6 higher at 73p, and Clarke Chapman, 5 up at 75p. For a similar reason Davies and Metcalfe "A" hardened 1½ to 11½p. Reflecting good interim figures, Wellman put on 1 to 38p. Elsewhere rises of around 5 were common to Startrite, 41p, Stothert and Pitt, 114p, Triplex Foundries, 36p, and Wolseley-Hughes, 124p. Hall Thermotank opened at 94p, but closed only 2 higher on balance at 90p. Shipbuildings turned firmer, too, Vosper gaining 2 to 70p ahead of to-day's preliminary results. Yarrow eased 3 to 124p following lower annual profits.

Foods spent a quieter session. British Sugar were dull at 333p, down 7; the preliminary results are expected January 29. Small buying in a thin market left Joseph Stocks 12 higher at 87p, while A. Fisher, 12p, and Carrs Milling, 38p, put on 5 and 6 respectively following Press comment. A. G. Barr featured late with a rise of 10 to 133p on the preliminary figures.

Hotels and Caterers had contrasting movements in J. Lyons "A," 3 easier at 150p, and Ladbroke, 4 higher at 107½p. Savoy Hotel "A" finished a penny harder at 26p following news of the sale and leaseback deal involving the company's Clareville House property.

Misc. leaders lower

After last Friday's late show of strength, the miscellaneous Industrial leaders encountered another good two-way trade in the morning session. However, profit-takers gained the upper-hand in the afternoon and prices drifted lower to close at or near, the day's lowest. Boots were the biggest casualty at 142p, down 6, while Turner and Newall declined 3 to 155p and Beecham cheapened 2 to 354p, as did Bowater to 182p. Elsewhere, a much firmer trend was established in second-line issues. Favourable week-end Press comment encouraged some good gains such as the one of 6 to 219p in De La Rue. Giltspur improved 3 to 41p and improvements of around 2 were seen in Burndene Investments, 11p, and Berwick Timpo, 50½p. Buyers came for Aaronson Bros., which rose 6 to 60p. Hoover "A" put on 10 to 335p, and Far-eastern advices left Jardine Matheson 12 to the good at 412p. Of the few dull spots, adverse Press comment ahead of Thursday's results left English China Clays 2½ off at 70p. The chairman's profits warning depressed Allied Polymer, 3 down at 70p, while the first-half profits contraction brought about a small fall to 8p in Empress Services.

Lex Service featured Motors and Distributors, closing 3½ higher at 26½. Plaxtons (Scarborough) rose 5 to 89p, while Turner Manufacturing closed a penny firmer at a 1975-76 peak of 69p following the preliminary figures. Of the few casualties, ERF, 23p, and Dunlop, 74p, lost 4 apiece.

Newspapers made a forward move and News International rose 7 to 143p, while Pearson Longman picked up 6 to 92p and United 8 to 240p. Paper/Printings also enjoyed an upturn, Bunzle Pulp rising 3 to 100p and Melody Mills a similar amount further to 49p, the latter still on Press comment. Likewise, Lowe and Brydone advanced 5 more to 58p. Elsewhere, John Waddington dipped 12 to 102p mirroring fresh disappointment with the first-half results, but Gordon and Gotch gained 5 to 62p.

Properties were just as varied as other markets, but it was only in afternoon dealings that sellers of the leaders finally gained the edge. Land Securities eased 3 to 195p, while MEPC lost 4 to 94p: the latter's executive Board changes were not really a surprise. Newspaper mention gave a fillip to Percy Bilton, 6 up at 168p, and Barratt Developments, 5 higher at 127p. Also firmer were C. H. Beazer which, in a restricted market, were raised 17 to 135p and Property Security, 4½ dearer at 48½p. London Bridge Securities rose to 27p before a close of a net 2 better at 24p, while smaller-priced issues similarly higher included Midhurst Whites, 14½p, and Laganvale, 10p. Country and District moved up 3½ to 29½p.

Oil leaders react

Leading Oils rescinded much of Friday's late rise. Initially, the tendency was steady to firm but the absence of any follow-through buying saw a reaction which, although slow at first, gathered pace later to leave Shell 10 down at 394p and British Petroleum 12 lower at 603p. Royal Dutch were assisted by both U.S. and investment premium influences, closing ¾ higher at £33½, while Burmah hardened 1 to 23p following late news of further Government assistance. Secondary issues occasionally improved, but overseas stocks became mixed. Woodside-Burmah reacted 5 to 144p, but Pan Ocean rose 30 to 890p.

Sime Darby featured Overseas Traders, rising 6 to 111p following Press comment on their expansion plans.

Favourable week-end Press comment stimulated a fair amount of interest in Investment Trusts. Particularly favoured were Scottish Mortgage and Trust, which rose 12 to 117½p, while Border and Southern gained 8 to 246p and Rothschild improved 7 to 322p. Ahead of their respective interim statements on Thursday and Friday, BET Deferred hardened 4 to 98p and G. T. Japan put on 7 to 114p. An active and firm market last week, Lampa Securities were again wanted following Press comment, rising 9 to a 1975/76 high of 126p.

Following quite an active opening session, business in Shippings petered out later and prices closed mixed. P. & O. Deferred cheapened 2 to 99p.

Courtaulds closed 2 easier at 160p in Textiles. Buyers came for Allied, which rose 5 to 79p. The dividend cut and profits setback left R. Smallshaw (Knitwear) unmoved at 14p.

Profit-taking after last Friday's late upsurge left Imps 2½ easier at 85½p and Bats 5 lower at 353p.

Guthrie cheapened 7 to 175p in front of to-morrow's interim figures, but Rubbers closed slightly firmer for choice.

Mines lack direction

Rises and falls were about evenly balanced in rather quiet Mining share markets. Golds drifted in line with the early [fall] of bullion although prices showing signs of a recov[ery] after hours trading wh[en] metal price rallied to en[d the] day unaltered on balan[ce at] $136.75 per ounce. The Mines index was 4.3 low[er at] 223.6.

The first of the December [quar]ter profits figures, those [of] Union Corporation and "[...]nies" groups' mines, are [pub]lished to-day. As expect[ed] benefit accruing from the devaluation has countere[d] falling metal price and [...] are all higher.

Financials were featured [by a] fresh rise of 12 in De Be[ers] 330p in front of the Centr[al Sell]ing Organisation's 1975 dia[mond] sales figure which came afte[r mar]ket hours. Otherwise, Union [Cor]poration fell 15 to 430p, [there] being no follow-through [to] recent buying interest. "Joh[nnies"] were steady at £23½ followi[ng] unchanged interim dividen[d].

Platinums edged higher [helped] by Press comment on the [...] outlook with rises of 2 in B[...]gate (100p) and Potgiete[rsrust] (168p).

Australians were gen[erally] firmer, the rise in the inves[tment] premium offsetting rather [unin]spiring home markets in S[ydney] and Melbourne overnight. [...] continental put on 20 to 94[...] further consideration of a broker's circular. Utah [...] Australia gained 25 to 97[...] lowing news of the one-f[or...] scrip issue.

The current plight of A[ustra]lia's iron ore producers, ho[wever], took 10 from Hamersley at [...] while Robe River fell 5 [...] In Tins, modest investme[nt de]mand added 3 to Ayer Hi[tam at] 170p. Elsewhere, Irish [...] caused a 15 gain in Northe[...] 280p after 285p.

FINANCIAL TIMES STOCK INDICES

	Jan. 12	Jan. 9	Jan. 8	Jan. 7	Jan. 6	Jan. 5
Government Secs.	63.15	62.82	62.09	61.82	61.01	[illegible]
Fixed Interest	62.18	61.33	61.10	60.71	60.16	[illegible]
Industrial Ordinary	394.4	401.6	390.5	389.8	384.6	[illegible]
Gold Mines	223.6	227.9	232.9	244.6	242.6	[illegible]
Ord. Div. Yield	5.54	5.26	5.59	5.40	5.47	[illegible]
Earnings Y'ld % (full)	14.89	14.65	15.05	15.06	15.29	[illegible]
P/E Ratio (net) (*)	9.85	9.99	9.75	9.73	9.62	[illegible]
Dealings marked	10,748	8,718	8,143	8,789	8,580	7,117
Equity turnover £m.	—	94.48	91.54	105.56	80.48	[illegible]
Equity bargains total	—	21,479	21,793	21,414	18,306	19,533

10 a.m. 395.3. 11 a.m. 401.0. Noon 400.3. 1 p.m. [illegible]. 2 p.m. [illegible]. 3 p.m. [illegible].

Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. [illegible]

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	63.15 (12/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.41 (2/1/76)	50.53 (3/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	401.6 (9/1/76)	146.0 (6/1/75)	549.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5/75)	218.4 (1/1/75)	442.3 (22/5/75)	43.5 (28/10/71)

S.E. ACTIVITY

	Jan. 12
Daily—	
Gilt-Edged	278.0
Industrials	289.8
Speculative	60.6
Totals	244.5
5-day Average	
Gilt-Edged	338.0
Industrials	304.3
Speculative	63.5
Totals	205.9

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity Groups	Mon. Jan. 12 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Fri. Jan. 9 Index No.	Thurs. Jan. 8 Index No.	Wed. Jan. 7 Index No.	Tues. Jan. 6 Index No.	Year ago (approx.) Index No.	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	150.37	+1.4	15.34	5.66	9.81	9.81	148.30	147.89	146.72	144.13	56.86	150.37 (12/1/76)	51.78 (6/1/75)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (29)	148.00	+1.5	11.67	5.67	13.10	13.09	145.84	145.02	144.55	141.69	49.72	148.00 (12/1/76)	45.11 (6/1/75)	253.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	257.85	+1.2	13.86	3.73	11.15	11.15	254.81	255.59	252.25	248.66	83.69	263.54 (16/11)	74.74 (6/1/75)	389.35 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	264.05	+1.5	16.54	4.51	8.86	8.86	260.26	260.24	257.45	250.60	111.85	264.05 (12/1/76)	98.49 (3/1/75)	350.04 (4/5/72)	64.71 (25/6/62)
5	Engineering (Heavy) (13)	170.18	+1.3	17.96	6.90	8.63	8.63	167.99	167.12	166.17	163.90	69.42	170.18 (12/1/76)	64.39 (2/1/75)	202.57 (6/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	130.88	+1.3	16.79	6.62	8.93	8.92	129.16	128.55	127.53	125.93	49.58	130.88 (12/1/76)	45.45 (6/1/75)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	52.59	+1.9	16.05	8.03	11.23	11.23	51.65	51.82	51.94	51.41	21.30	52.59 (12/1/76)	20.11 (2/1/75)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	127.62	+1.5	16.32	6.58	9.30	9.30	125.78	125.59	124.58	122.92	52.03	127.62 (12/1/76)	49.66 (6/1/75)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	127.58	+1.8	14.44	4.91	10.44	10.43	125.30	125.13	124.27	122.81	42.38	127.58 (12/1/76)	38.39 (6/1/75)	222.78 (21/4/72)	38.59 (6/1/75)
10	Electronics, Radio TV etc. (15)	145.73	+2.4	12.75	3.67	11.72	11.70	142.26	143.12	142.36	140.64	46.54	145.73 (12/1/76)	44.28 (6/1/75)	257.41 (18/6/72)	42.85 (12/12/74)
11	Household Goods (14)	178.23	+2.1	13.64	5.98	10.77	10.74	174.56	175.98	172.83	172.04	66.53	178.23 (12/1/76)	64.55 (6/1/75)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	73.16	+0.7	17.59	6.52	8.73	8.73	72.67	71.74	71.06	70.05	22.95	73.16 (12/1/76)	19.91 (6/1/75)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	158.90	+0.9	13.56	5.49	11.77	11.65	157.48	156.51	156.21	152.90	69.67	158.90 (12/1/76)	61.98 (6/1/75)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	172.92	+1.2	12.50	6.18	12.22	12.22	170.82	168.34	165.99	162.38	84.91	172.92 (12/1/76)	75.58 (6/1/75)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	181.26	+0.2	10.21	5.56	14.86	14.86	180.99	182.08	180.85	178.41	91.62	182.08 (3/1/76)	80.42 (6/1/75)	257.40 (15/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (16)	197.43	+2.0	10.99	6.16	14.58	13.88	193.65	193.51	192.25	188.48	60.99	197.43 (12/1/76)	55.28 (6/1/75)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	169.49	+0.7	12.49	4.87	11.20	11.13	168.36	168.63	168.19	165.21	70.57	169.49 (12/1/76)	62.03 (2/1/75)	211.65 (1/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	150.05	+1.7	10.58	4.61	13.76	13.76	147.51	147.82	148.13	144.24	63.81	155.88 (10/11)	57.15 (2/1/75)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	171.61	+1.8	13.31	5.89	11.25	11.25	168.59	167.34	167.24	164.81	60.27	171.61 (12/1/76)	55.08 (6/1/75)	250.29 (12/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	110.21	+0.4	20.02	6.93	7.43	7.44	109.79	108.13	107.59	106.51	47.92	110.21 (9/1/76)	43.46 (6/1/75)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (33)	133.71	−0.4	11.29	5.06	13.55	13.55	134.31	132.78	133.10	129.10	61.10	134.31 (12/1/76)	52.63 (6/1/75)	204.39 (16/6/72)	52.63 (6/1/75)
22	Textiles (22)	176.29	+1.7	13.51	6.13	9.53	8.94	173.32	170.91	171.65	166.95	66.91	176.29 (12/1/76)	62.91 (6/1/75)	253.72 (17/8/68)	62.66 (11/12/74)
23	Tobaccos (3)	230.68	+2.5	15.04	5.85	10.12	10.12	225.16	223.83	223.88	221.34	116.66	230.68 (12/1/76)	109.92 (6/1/75)	339.15 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	61.18	−0.9	23.38	6.49	5.98	5.98	61.75	62.89	62.02	62.22	22.13	63.76 (20/11)	20.92 (6/1/75)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	208.29	+1.9	13.44	4.62	10.43	10.43	204.40	202.82	203.01	199.45	83.38	208.29 (12/1/76)	73.14 (6/1/75)	208.29 (12/1/76)	71.20 (1/12/74)
26	Office Equipment (10)	93.87	+1.9	14.20	5.55	9.87	9.87	92.08	89.62	89.40	85.89	53.63	104.78 (17/4)	45.34 (2/1/75)	246.06 (1/8/72)	45.34 (2/1/75)
27	Shipping (12)	376.30	+1.1	20.03	6.45	6.39	6.14	378.29	371.97	371.59	370.10	208.90	404.18 (18/11)	194.38 (6/1/75)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	164.47	+1.6	14.50	6.42	10.16	10.15	161.87	160.77	160.14	157.98	67.85	164.47 (12/1/76)	60.39 (6/1/75)	258.83 (2/5/72)	60.59 (6/1/75)
29	INDUSTRIAL GROUP (496)	158.99	+1.3	13.76	5.47	10.66	10.60	156.98	156.09	156.57	152.65	66.19	158.99 (12/1/76)	59.19 (6/1/75)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	344.02	−2.2	14.63	4.68	7.64	6.84	351.71	340.00	340.84	340.81	122.76	351.71 (9/1/76)	105.83 (2/1/75)	431.86 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	174.47	+0.7	13.89	5.35	10.06	9.79	173.18	171.45	171.05	168.31	71.03	174.47 (12/1/76)	63.49 (6/1/75)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	145.11	+0.6	—	4.87	—	—	144.20	142.18	141.47	138.69	62.71	148.45 (20/5)	56.50 (6/1/75)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	173.17	−1.8	16.83	4.65	9.08	9.08	176.30	172.71	170.27	168.44	71.91	177.11 (5/6)	62.56 (2/1/75)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	186.17	+2.4	—	6.64	—	—	180.81	181.19	180.42	177.16	99.22	185.17 (12/1/76)	84.13 (6/1/75)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	123.66	+2.8	—	5.34	—	—	120.32	117.08	113.10	109.94	43.66	134.39 (10/3)	42.81 (6/1/75)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	125.62	+1.9	—	5.44	—	—	123.22	122.49	122.73	120.74	51.90	129.31 (18/11)	44.88 (2/1/75)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	112.38	+1.5	—	6.10	—	—	110.70	108.64	108.91	106.09	50.74	123.90 (20/5)	44.47 (2/1/75)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (9)	225.92	+1.5	9.45	4.06	15.96	15.96	222.66	220.51	220.86	219.16	73.58	232.39 (18/11)	58.96 (7/1/76)	262.57 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (17)	91.29	+2.2	—	5.93	—	—	89.30	88.49	88.56	87.16	35.85	94.97 (7/3)	31.21 (7/1/75)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	192.42	+1.5	2.52	2.53	72.73	67.97	189.58	188.23	187.95	181.88	93.60	241.22 (22/4)	88.19 (7/1/75)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	85.49	−1.4	15.27	6.36	10.33	10.24	86.72	85.74	83.47	82.72	34.85	86.72 (9/1/76)	34.78 (10/1/75)	303.13 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	183.73	+2.4	2.74	3.89	36.53	36.51	179.49	178.42	176.14	171.70	82.30	183.73 (12/1/76)	73.46 (6/1/75)	245.79 (25/4/72)	71.65 (13/12/74)
43	ALL-SHARE INDEX (650)	167.65	+0.8	—	5.18	—	—	166.29	164.54	163.96	161.15	69.44	167.65 (12/1/76)	62.16 (6/1/75)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	423.57	−0.6	16.13	7.93	10.14	10.12	426.34	428.76	429.36	419.52	288.17	585.43 (23/5)	281.66 (2/1/75)	555.37 (23/7/75)	84.68 (26/8/65)
45	Teas (9)	118.23	+0.3	39.99	8.76	3.67	3.61	117.89	117.89	117.89	119.00	77.07	124.57 (11/11)	76.76 (10/1/75)	124.57 (11/11/75)	59.72 (17/10/74)
46	Coppers (3)	292.34	+0.5	35.80	5.88	2.96	2.96	290.93	300.06	301.47	298.97	400.45	467.74 (27/6)	251.97 (18/12/75)	567.78 (13/7/73)	94.08 (28/4/62)
47	Mining Finance (11)	116.54	−0.1	10.14	4.32	11.14	11.14	116.66	118.01	119.77	116.99	84.43	141.34 (30/5)	80.58 (22/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	95.31	+1.8	13.12	9.47	10.87	10.20	93.64	93.36	94.25	94.13	61.59	114.49 (3/6)	58.91 (8/1/75)	125.43 (12/1/73)	54.83 (27/6/71)
49	Overseas Traders (13)	237.55	+1.4	14.11	4.40	9.06	9.06	234.17	232.94	231.75	229.66	100.69	252.23 (20/5)	97.37 (6/1/76)	252.23 (20/5/75)	97.37 (6/1/76)

	FIXED INTEREST	Mon. Jan. 12 Index No.	Mon. Jan. 12 Yield %	Friday Jan. 9	Thurs. Jan. 8	Wed. Jan. 7	Tuesday Jan. 6	Monday Jan. 5	Friday Jan. 2	Wed. Dec. 31	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.65	13.63	13.91	14.00	14.30	14.49	14.58	14.67	16.46	—	—	—	—
2	20-yr. Govt. Stocks (6)	51.14	†12.74	50.66	49.83	49.52	48.65	47.85	47.56	47.30	41.22	53.09 (2/5)	38.27 (3/1/75)	115.42 (11/8/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	49.70	†14.86	48.30	48.14	47.41	47.03	47.00	46.68	†46.87	37.33	50.68 (21/5)	37.01 (3/1/75)	113.45 (23/10/65)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	49.00	14.11	47.27	46.99	46.55	46.55	46.65	46.50	46.55	36.68	49.00 (12/1/76)	35.35 (3/1/75)	114.41 (15/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	68.79	13.78	65.93	65.20	64.79	63.65	63.24	62.76	63.01	49.10	68.79 (12/1/76)	47.67 (6/1/75)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	16/1/70	144.76	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	All Other	10/4/62	100.00
Office Equipment	16/1/70	[illegible]			
Industrial Group	31/12/70	[illegible]			
Miscellaneous Financial	31/12/70	[illegible]			

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p. † Corrected.

CONSTITUENT CHANGE: [illegible] (Insurance Brokers) has been replaced by [illegible] Discount Holdings (Discount Houses).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
ICI	£1	21	354	—	357	118
Shell Transport	25p	17	394	−10	404	118
Barclays Bank	£1	15	315	−7	325	112
BP	£1	15	603	−12	615	190
Boots	25p	12	142	−6	148	43½
T'falgar Hse 'New'	Nil/pd.	12	27*	−1	29*	23*
De Beers Defd.	R0.05	11	330	+12	333	161
Eng. China Clays	25p	11	70	−2½	82	35
Courtaulds	25p	10	160	−2	162	53
Dunlop	25p	10	74	−4	78	17
Thorn Elec. 'A'	25p	10	238	+4	238	75

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 7	Jan. 19	Apr. 1	Apr. 13
Jan. 20	Feb. 2	Apr. 14	Apr. 28
Feb. 3	Feb. 16	Apr. 29	May 11

"Calls" were dealt in Central and Sheerwood, English Property, National Westminster Bank Warrants, Burton Warrants, Amalgamated Investment, M. L. Meyer, Burmah Oil, Peachey Property, Samuel Properties, F. W. Woolworth, ICI, Slater Walker, UDT, Distillers, Brooke Bond, Allied Breweries, Courtaulds, Coats Patons, Cons. Gold Fields, Alliance Alders, William Mallinson, Croda International, Ward, Rio Tinto-Zinc, MEPC, Charter Cons. and International Computers.

Industrials		Guardian	20	Spillers	5	Shell	28
		G.K.N.	22	Tesco	6	Ultramar	20
A. P. Cement	15	Hawker Sidd.	27	Thorn "A"	20		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	25	I.C.I.	21	Unilever	40	Anglo Amer.	50
Beecham	28	"Imps"	7	Utd. Drapery	10	Charter Cons.	19
Boots Drug	12	I.C.L.	7	Vickers	13	Chart'rh'll Fin.	6
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons Gold	18
B.A.T.	30	Legal & General	13	Woolworths	6	De Beers Dfd.	35
British Leyland	7	Ladbroke	11			F.S. Geduld	350
BOC Int.	5½	Lloyds Bank	22	Property		Great Boulder	12
Burton 'A'	7	"Lofs"	5½	Amal. Inv.	4	Hampton Areas	14
Cadburys	6	"Mams"	6	Brit. Land	4	Hampton Prop.	4
Courtaulds	11	Marks & Sp'ncer	11	Cap. Counties	4½	Kloof	140
Debenhams	8	Midland Bank	25	E.P.	8	Lonrho	13
Distillers	13	Nat'l West Bank	22	Land Securities	18	Loraine	55
Dunlop	6½	"do" Warrants	10	MEPC	9	Poseidon	55
Eagle Star	13	P & O Dfd.	11	Peachey	6	Pres. Steyn	275
E.M.I.	17	Plessey	8	Town & City	4½	Rio T.Zinc	20
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	55
Gen. Electric	13	Rank Org. 'A'	18			West Areas	75
Glaxo	36	Reed Int'l	23	Oils		Western M'ng.	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	42		
G.U.S. 'A'	17	Slater Walker	5½	Burmah Oil	4		

NEW HIGHS AND LOWS FOR 1975/76

Too numerous to name individually the 374 new 1975-76 highs recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 9 new lows.

NEW HIGHS (374)

BRITISH FUNDS (20)
INTERNATIONAL BANKS (2)
CORPORATION LOANS (9)
COM'WEALTH & AFRICAN LOANS (6)
FOREIGN BONDS (1)
AMERICANS (10)
CANADIANS (2)
BANKS (10)
BEERS (4)
BUILDINGS (27)
CHEMICALS (6)
CINEMAS (1)
DRAPERY & STORES (13)
ELECTRICALS (15)
ENGINEERING (39)
FOODS (13)
HOTELS (2)
INDUSTRIALS (56)
INSURANCE (3)
MOTORS (7)
NEWSPAPERS (9)
PAPER & PRINTING (9)
PROPERTY (7)
SHIPPING (1)
SHOES (2)
TEXTILES (13)
TRUSTS (86)
OVERSEAS TRADERS (1)
MINES (2)

NEW LOWS (9)

INDUSTRIALS (1)
Amplowest
PAPERS (1)
Clyde Paper
MINES (7)
East Rand Prop. Elsburg
West Rand F.S. Saaiplaas
Grootvlei Falcon
Leslie

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	54	—	5
Corpns., Dom. and Foreign Bonds	27	—	37
Industrials	709	160	841
Financial and Prop.	345	33	215
Oils	12	8	14
Plantation	8	5	34
Mines	34	49	69
Recent Issues	12	7	11
Totals	1,201	271	1,226

BASE LENDING RATES

AFI International
Allied Irish Banks Ltd.
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Cayzer, Bowater Co. Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept'cs
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Sterling Credit
Thames Guaranty
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Committee.
* 7-day deposits 6½%, 1-month [illegible]
† 7-day deposits on sums of £10, under 7½%, up to £25,000 [illegible] over £25,000 [illegible]
§ Demand deposit [illegible]

CORAL INDEX
Close 392-397
394-399 N.T.

I.G. INDEX
GOLD 135-138

INSURANCE BASE RATES

† Atlantic Assurance
Cannon Assurance

† Address shown under Insurance and Property Bond table.

MONEY + EXCHANGES

Interest rates lower

Bank of England Minimum Lending Rate 11 per cent. (since January 2, 1976)

Interest rates continued their recent downward trend in the London money market yesterday, except for the very short periods which showed little change or recorded small gains in some cases. The Discount houses buying rate for three-month Treasury bills was quoted at around 10¼-10 3/16 per cent., which would reduce Bank of England Minimum Lending Rate by ½ per cent. to 10½ per cent. if repeated at the weekly Treasury bill tender to be held on Friday. The three-month sterling certificate eased to 10¼-10 1/16 per cent., from 10 5/16-10¼ per cent., but the seven-day interbank rate was quoted at 10½-10⅝ per cent., against 10⅜-10½ per cent. on Friday.

Day-to-day credit was in adequate supply and the authorities did not intervene.

Banks carried forward large run-down balances from Friday and settlement of official gilt-edged sales was also against the market's favour. On the other hand an unexpectedly large amount of Government disbursements exceeded revenue payments to the Exchequer and the market was also helped by a special deposits adjustment and a fall in the note circulation.

Discount houses paid 10⅜-10¾ per cent. for secured call loans in the early part and closing balances were taken at around 10 per cent.

Rates in the table below are nominal in some cases.

Jan 12 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit†	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	9-11	—	—	—	10¾-11¼	10-10¾	—	—	—
2 days notice	—	—	10-10¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	10½-10⅝	10¼-10⅜	—	—	—	10½-10⅝	—	—	—
One month	10 5/16-10¼	10 5/16-10 3/16	10¼-10⅛	10½-10	10½-11¼	—	10⅛-10¼	10 7/32-10 3/32	10½-10 7/16	11⅛-10⅞
Two months	10⅜-10¼	10¼-10⅛	—	10⅝-10	10½-11¼	—	10-10¼	10 1/16	10¼-10⅛	11½-10¾
Three months	10¼-10 1/16	10⅛-10 1/16	10⅛	10½-10	10½-11¼	—	10-10⅛	10⅛-10 1/16	10½	11½-10⅝
Six months	10 1/16-10	10 1/16-10⅛	10⅛	10½-10	10 7/16-11¼	—	—	—	9⅞-9 13/16	11½-10⅝
Nine months	10 1/16-10	10⅛-10 3/16	—	10½-10	10¾-11¼	—	—	—	—	—
One year	10 1/16-10	10 3/16-10⅛	10⅞-11	10½-10	10¾-11½	—	—	—	—	—
Two years	—	—	11⅛-12	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12½-12¾ per cent.; four years 13¼-13½ per cent.; five years 13½-13¾ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 10-9⅞ per cent.; and four-month trade bills 11½-10¾ per cent. Approximate selling rates for one-month Treasury bills 10 1/16-10 1/32 per cent.; two-month 10 1/16 per cent.; three-month 10 1/32-10 per cent. Approximate selling rate for one-month Bank bills 10 7/16-10 5/16 per cent.; two-month 10¼-10 1/16 per cent.; and three-month 10 1/16-10 per cent.; for one-month trade bills 11-10½ per cent; two-month 11-10¾ per cent.; and three-month 11-10¾ per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from January 1. Clearing Bank Deposit Rate for small sums at seven days' notice 6½ per cent. Clearing Bank Rates for lending 10½ per cent. Treasury Bills: Average tender rates of discount 10.2766 per cent.

AUTHORISED UNIT TRUSTS

REGIONAL MARKETS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

THE LONDON SCOTTISH AMERICAN TRUST LTD.

Year Ended 31st October, 1975.

Extracts from Directors' Report.

…or the financial year ended 31st October, 1975 the …ancial Times Industrial Ordinary Share Index rose 78.6 … cent. and the Dow Jones Industrial Index 25.6 per cent. …ese rises were reflected in an improvement of 64.9 per …t. in the net asset value of our Ordinary Stock Units.

…spite the harmful effects of the free world's trade …ession, and the continuing U.K. dividend control, the …ard are pleased to report an increase in gross revenue … £1,278,432 (1974: £1,207,714). It is a source of …isfaction that, largely due to our continuing policy of …hieving a high investment income whilst maintaining a …bstantial overseas content, we can recommend that the …al gross dividend for the year be increased by 10 per cent. … 5.50p (1974: 5.00p).

…ring the year, we took part in the financing of British …dustry by subscribing to equity Rights Issues to a total of … 68,750 and by participating in underwritings on a much …eater scale than for previous years.

…ain Features	1975	1974
…oss Revenue	£1,278,432	£1,207,714
…dinary 25p Stock Unit		
Earnings	4.08p	3.97p
Paid or to be paid (Net)	3.575p	3.35p
…venue Retained	£84,935	£103,887
…t Assets	£24,669,336	£15,811,962
…t Asset Value per Ordinary 25p Stock Unit	134p	81p

…e Annual General Meeting will be held on 4th February, …976 in London.

BANK OF SCOTLAND

BASE RATE

…e Bank of Scotland intimates that, as …m 13th January, 1976 and until further …tice, its Base Rate will be TEN AND ONE …ALF PER CENT PER ANNUM.

FT SHARE INFORMATION SERVICE

††BANKS AND HIRE PURCHASE

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
245	135	Alexanders D £1	245	+7	g11.66	—	7.3	—
£114	£67	Algemene Fl.100	£103	−1	Qh20%	1.8	3.5	16.0
430	190	Allen Harvey £1	430	+5	†13.5	—	4.8	—
142	45	Allied Irish	127	+3	Q25%	—	4.9	—
77	14	Anglo Contnl	51	......	—	—	—	20.5
165	95	Arbuthnot L. £1	175	......	†7.61	—	6.7	—
440	170	Aust. & N.Z. £1	440	+3	9.7	—	3.4	—
£57	£21¼	BankAmer. $3 125	£36¼	+½	Q$1.48	—	0.0	—
40	22½	Bk. Hapoalim I£1	32¾	......	[illegible]	—	2.0	—
385	120	Bk. Ireland £1	355	−3	Qh16%	—	4.5	—
£151	£66	Do. 10pc Cv. 91-96	£148	......	Q10%	—	16.9	—
23	16½	Bk. Leumi Al£1	22	......	Q16%	—	5.2	—
230	180	Bk. Leumi (UK) £1	220	......	7.25	—	5.1	—
720	370	Bk. N.S.W. $A2	695	+5	Q28c	—	2.3	—
295	104	Bank Scotland £1	293	+3	†8.51	3.5	4.4	10.0
£71¾	£20⅝	Bankers N.Y. $10	£25¾	+½	Q$3.00	—	5.7	—
325	112	Barclays £1	315	−7	†8.29	4.2	4.0	9.1
73	19	Bates (Edward)	44	......	—	—	—	—
		For Bowring (C. T.) see Insurances						
235	75	Brown Shipley £1	165	+5	g7.54	—	7.0	—
285	110	Cater Ryder £1	285	+5	14.40	—	7.8	—
13	[illegible]	Cedar Hldgs. 20p	13#	......	†1.4	1.5	[illegible]	—
74	48	Clive Dis'nt 20p	71xd	+2	[illegible]	—	7.4	—
310	149	Com'l Aus. ($A1)	310	+10	Q14%	—	2.6	—

[illegible]

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 66⅞% (based on $2.0226 per £)

CANADIANS

S.E. List Premium 66⅞% (based on $2.0226 per £)

Conversion factor 0.6665 (0.6641)

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIAL (Miscel.)

هكذا أصله الأصل

INDUSTRIALS—Continued

[illegible]

††INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Trusts, Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	250	Durban Deep R1	340	.....	Q20c	ϕ	3.2
£14	470	E. Rand Prp. R1	470	−5	Q35c	ϕ	4.1
105	19	Rand Leases 2½c	19	.....	—	—	—
£34½	£15¾	Randf'tn Est. R2	£15¾	−¼	—	—	—
500	125	West Rand R1	125	−2	Q10c	ϕ	4.4

EASTERN RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	165	Bracken R1	175	−2	Q52c	1.0	16.4
23	5	Daggafontein 50c	8	.....	—	—	—
105	32	East Dag. R1	32	.....	—	—	—
140	£	Gvnt. Areas 5c	140ϕ	.....	—	—	—
380	105	Grootvlei 30c	105	−5	Q20c	ϕ	10.5
820	385	Kinross R1	465	−15	Q54c	1.4	6.4
90	57	Leslie 70c	57	−4	Q18c	1.4	17.5
550	165	Marievale 70c	190	−10	Q42c	ϕ	12.2
725	175	S. African Ld. 35c	175	−15	Q30c	ϕ	9.5
265	82	Vlakfontein R1	92	.....	Q20c	ϕ	12.0
£13¼	660	Winkelhaak R1	800	−20	Q105c	1.1	7.5
120	33	Wit. Nigel 25c	37	−1	—	—	1.4

FAR WEST RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	615	Blyvoor 25c	650	−10	†Q170c	1.3	‡
£21½	£12	Buffels R1	£12		Q180c	1.4	8.3
430	185	Deelkraal R0.20	185	−5	—	—	—
£14¼	590	Doornfontein R1	690	.....	†Q115c	1.4	‡
£12¼	725	East Drie R1	870	−30	Q75c	ϕ	4.8
380	260	Elandsr'd Gld. 20c	270	−10	—	—	—
450	165	Elsburg R1	165	−5	Q33.8c	ϕ	11.3
£31	£15	Hartebeest R1	£15¾	−¼	Q215c	1.4	7.6
£13¼	620	Kloof Gold R1	635	.....	Q55c	1.4	4.8
£17¼	525	Libanon R1	660	−20	†Q110c	1.9	‡
£13¾	600	Southvaal 50c	650	−35	Q8c	ϕ	0.7
480	200	Stilfontein 50c	210	.....	Q36c	ϕ	9.5
£33¾	£17	Vaal Reefs 50c	£18½	−½	Q175c	ϕ	5.2
[illegible]							

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
75	50	Tongkah Hb SM1	52	.....	Q23%	0.6	8.4
93	42	Tronoh	75	+2	†4.02	3.5	8.2

COPPER

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	42	Botswana RST K2	65	.....	—	—	—
390	196	Messina R0.50	325	+5	Q35c	1.9	6.0

MISCELLANEOUS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	.....	m0.5	—	1.7
65	17	Charterhall 5p	33½	+1	—	—	—
115	40	Colby Mines $1	60	.....	—	—	—
830	360	Cons. Murch. 10c	810	+10	Q80c	ϕ	5.5
53½	29½	Laurasia	37½	+1	—	—	—
375	200	Northgate C$1	280	+15	tQ25c	1.0	4.9
211	80	R.T.Z.	205	+2	g5.51	4.4	4.1
135	47½	Sabina Inds. C$1	95	+2	—	—	—
81	45	Stanford Mines$1	45	.....	—	—	—
£12½	874	Tara Explm. $1	£10¾	−¼	—	—	—
92	38	Yukon Cons. C$1	90	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance, reserve allocations may preclude calculation of dividend cover.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ♦ Same interim reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ∥ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: ᵈᵈ ex dividend; ˣᶜ ex scrip issue; ˣʳ ex rights; ᵃ ex all; ᵈ ex capital distribution.

"Recent Issues" and "Rights" Page 19

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FINANCIAL TIMES

Tuesday January 13 1976

RENTCO
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RENTCO NATIONWIDE LTD.

Left-wingers shelve 'cuts' document

BY PHILIP RAWSTORNE

LEFT-WING members of Labour's Home Policy Committee last night succeeded in shelving a party research document which gives tacit support to Government expenditure cuts.

The document is to be "left on the table" until further research papers analysing specific areas of Government spending have been prepared. Attempts by Mr. Frank Allaun, one of the Left-wing members of the committee, to delete parts of the document supporting curbs on public spending were checked by Mr. Anthony Wedgwood Benn, the committee chairman.

"If you put a body in the morgue you don't go in and start amputating bits of limbs," said Mr. Wedgwood Benn.

Two other Left-wingers, Mr. Ian Mikardo and Mrs. Judith Hart, joined in the attacks on the document's analysis, which concluded with a warning to the party's policy-makers that Labour's election programme could not be fully implemented without increases of nearly 10 per cent. in all rates of taxation.

Realism

Right-wing members of the committee, who had privately welcomed the document as evidence of a growing realism within the party about the limitations imposed on the Government by the economic situation, had to accept that there was no hope of securing approval for the report.

They agreed to shelve the paper until further research documents had been prepared on fields of public expenditure

The document considered by the committee states that it is essential to put all the party's expenditure proposals in the balance and to give an overall sense of priorities. "If we fail to do this," it says, "there will be a danger that our policy statements will lack coherence and, indeed, lack credibility."

It adds: "If we were simply to insert into the programme all the expenditure proposals which have received the endorsement of conference, with no indication of their relative priority, we should be faced with a truly massive increase in overall public expenditure.

Strain

"If, because of increases in taxation, there were to be no improvement in real take-home pay, even for the lower-paid, for a further four years, this could put intolerable strains upon the social contract."

The Home Policy Committee also approved a resolution proposing that:

1—The Government should *make more money available* for council lending (but not at the expense of current housing expenditure).

2—Building societies should be asked to make 10 per cent. of their current lending rate available to the Department of the Environment for transmission to local authorities where the need was greatest. The rate of interest to the Department on these loans should be reasonable—not more than 11 per cent. in present circumstances.

3—There should be a general inquiry by the Government into the role of the building societies. (The committee is making a general study of all financial institutions including banks and insurance companies.)

The resolution will now go forward to the full National Executive at its next meeting.

U.K. rate of inflation down to 14%-15%

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE RATE of U.K. inflation as measured by the wholesale output price index eased to 14-15 per cent. in the closing months of 1975, compared with year-on-year increases of 25-26 per cent. recorded earlier in the year.

The index, which records the average prices of goods leaving the factory gates, rose by 1¼ per cent. in December. Half this increase was due to the earlier rise in oil prices.

Pressure on food

At the same time, on the input side, the average wholesale price increase of materials and fuel bought by *manufacturing* industry was less in December than in earlier months at 1 per cent., compared with 6½ per cent. in the last quarter as a whole.

Behind both the input and *output indices in recent months* lies a faster rate of reduction in non-food sector prices, but continuing sharp upward pressure in food prices.

Last month there was some respite on the food price front with a rise of only 1 per cent., but it is generally considered that the upward pressures will continue to be strong.

Outside the food sector the wholesale indices reflect both the earlier slowdown in raw material prices (because of the world recession) and the increasing impact of the £6 limit on wage increases.

In general the indices will be welcomed as bearing out the improved picture which has been evident for some months.

But on the input side they confirm that the days when material and fuel prices fell or stagnated during a recession are gone. During the 12 months December 1974 to December 1975 *the materials index rose* 15 per cent.

● Other economic statistics out yesterday confirm the depressed state of retail trade in the closing months of 1975.

At 105.9 (base 1971=100) the official volume index of retail sales was lower than the provisional estimate of 106½.

Retail drop

Total retail trade was some 1½ per cent. lower in October and November than during the second and third quarters of 1975, and 5½ per cent. down on the peak levels reached in the closing months of 1974 and first quarter 1975.

The hire-purchase figures for November confirm the sluggishness of the picture which faced the Government before it relaxed credit restrictions in December. At £253m. (seasonally adjusted) the amount of new credit advanced by finance houses and retailers was little changed from September and October levels.

Editorial comment Page 16

THE LEX COLUMN

Assessing the new tap

Although equities could not hold Friday's late gains yesterday, gilt-edged remained firm and comfortably absorbed a good deal of profit taking. The FT Government Securities Index has shown gains for 17 consecutive trading sessions. What *is now tantalising the market is* that any further strength could produce a repeat performance of the near sell-out of the £750m. Treasury 13¾ per cent. 1997 issue on July 17 last year. At 96 the new medium long tap Treasury 13 per cent. 1990 (subscription Thursday) yields 13.64 per cent. to redemption, only 0.12 points less than Treasury 12¾ per cent. 1992, while the 13¾ per cent. loan yields scarcely more.

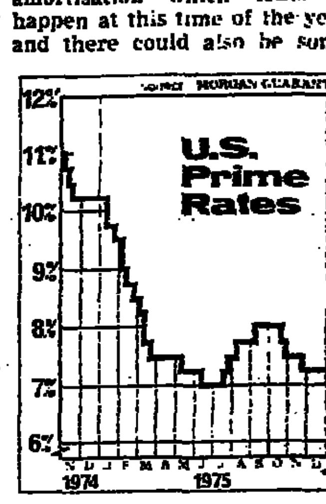
Such a flat yield curve is unusual, and funds could be tempted to switch both shorter and longer into the new tap. All the same, dealers are somewhat fearful of the consequences of a sell-out given the experience of July. Initial subscribers to that first tranche of Treasury 13¾ per cent. were always showing a loss until last Friday night.

But in contrast to July the worldwide interest rate background remains good. Several of the clearing banks would have cut their base rates by more than half a point yesterday if very short money market rates had not firmed. There were signs of some sizeable tax payments in a tax season which is particularly unpredictable given that the old freedom to spread payments over January and February has now been eroded by the imposition of an interest rate penalty (at 9 per cent., *not tax deductible) after* January 1.

Index fell 7.2 to 394.4

The two main factors behind the strengthening of the market are the rapid fall in international interest rates, stemming ultimately from the Federal Reserve Board's current easy money policy in the U.S., and the high liquidity currently apparent among Eurobond investors. Many Eurodollar *interest rates have* fallen by well over a point in the last four weeks, with the downward trend particularly evident in the longer maturities.

High liquidity can be attributed partly to the bunching of coupon payments and amortisation which tends to happen at this time of the year, and there could also be something of a seasonal element in the easier trend in interest rates. In the question of maturities, at least, borrowers still have a lot of ground to win back from investors: although there are increasing signs of maturities stretching out beyond the five year period which investors seem to like most, there is still a big difference between the maximum ten-year maturities of to-day and the 15-year norm of three years ago. Yet the present strength of the market has been building up steadily over the whole of the past year.



Eurobonds

Experience in the Eurobond market so far this year has surprised even the most optimistic of issue managers. Last year closed with a record $6bn. to $7bn. of new issues (the exact amount depends on various definitions of a "Eurobond"). So far this year, close on $500m. of issues have closed or are in course of being placed in the dollar sector of the market alone. Coupons have come down—the 8½ per cent. indicated on Norway's $100m. issue announced last night is believed to be the lowest for a matter of years—and almost every issue has been increased in size. This has been achieved apparently without any weakening in demand for bonds in the secondary market.

Burmah

*The news that the Govern*ment is making a £40m. advance payment on Burmah's Ninian stake may be interpreted in various ways. The deal suggests that Burmah is not being hustled into a forced sale and that some kind of agreement is in view. Yet if that were imminent, an advance payment would hardly be necessary unless Burmah's liquidity was under severe strain. The explanation lies some[...] between these extreme[s ...] Government cannot af[ford ...] delay in the North Se[a ...] Burmah's Thistle deve[lopment] is approaching its mo[st ...] stage with the [...] scheduled to be floated [...] summer.

Hogg Robinson

Hogg Robinson has [...] its interim profits by [...] to £2.02m. and is fore[casting a] "significant" increase [...] full-year total—confirm[ing the] buoyant immediate [...] recently reported by [...] and C. E. Heath. [...] income may have ris[en] around a quarter, helped [by] depreciation of sterling [...] much greater flow of [...] from the underwriting [...] market, and the expens[es ...] also improved. This mo[mentum] should be maintained [...] current half although [...] ment income remains [...] the preliminary figure[s ...] reflect the impact on [...] writing commissions [...] downturn in the [...] *account for 1973.* Over[all pre-]tax profits should be [...] £5.5m., against £4.68m.

The shares rose 7p y[esterday] to a new 1975-76 high [...] where the prospective [...] around 12 is below [...] This is in contrast to th[e] dull performance by the [...] sector generally as the [...] has *become preoccup[ied with]* the possibility of a slow[down in] profits growth during 1[976 in] the absence of a furthe[r] fall in the sterling pari[ty. The] main point of concer[n is the] tightening in worldwi[de] city, including London, [making] it more difficult to pla[ce busi]ness. But the rate of [growth] of broking income [...] industry is not generall[y expec]ted to fall below 15 pe[r cent.]

Yarrow

Profits at Yarrow [...] builders) totalled £5[...] 1974-75, including [...] £300,000 of construction [...] and its net assets topp[ed ...] Yet the *maximum comp[ensation]* under the present nat[ionalisa]tion terms seems to [be] £4.6m. There is no hi[nt of] improvement in this m[anifestly] *inadequate payment,* bu[t with a] capitalisation of just [...] the parent company [...] have to rely on any s[...] cessions. After all, tot[al share]holders' funds now ar[e] around £14m., and gr[oss pre-]tax profits to £6.4m.

Iceland threatens to leave Nato

By Jon H. Magnusson in Reykjavik and Robin Reeves in Brussels

THE DISPUTE over fishing rights between Iceland and the U.K. intensified yesterday when an Icelandic Government official warned that Iceland could leave Nato—and break off diplomatic relations with Britain "in the *next few days.*"

Iceland's Ambassador to Nato, Mr. Tomas Tomasson, warned in Brussels that his country would reconsider its membership of the alliance if Royal Navy ships did not leave Icelandic waters soon—as a prior condition before opening any negotiations to end the cod war.

Further indication of growing *tension came with yesterday's* confirmation that Dr. Joseph Luns, Nato Secretary-General, would arrive in Reykjavik tomorrow.

In Reykjavik, Mr. Olasuk Johannesson, Minister of Justice and Acting Minister of Foreign Affairs, said yesterday that everything indicates that Iceland will break off diplomatic relations with the U.K. "in the next few days."

Iceland's Cabinet is waiting for a formal report on the last incident last Friday between a British frigate and an Icelandic coastguard vessel before it decides.

Appeal

The Nato Ambassador's thinly-veiled threat to withdraw from the alliance was delivered in a tough speech to a special session of the Nato Council, the top political body of the alliance, called at the Icelandic Government's request. Mr. Tomasson told a Press conference later that "we will not accept for much longer being rammed by public vessels of the U.K., a member of the alliance."

After discussions lasting two hours, the council issued a statement appealing to both sides to exercise the utmost restraint in the dispute, which was "*not only harmful* to relations between two allied countries but also to the alliance as a whole."

It also expressed the hope that the role of mediation being taken up by Dr. Joseph Luns, Nato Secretary-General, which was confirmed here, would promote "the urgently-required solution." A Nato spokesman said that Dr. Luns would be going to Reykjavik in the very near future and hopes thereafter to go to London.

The British Ambassador said that Britain took Iceland's *threat to leave the* Alliance "very seriously indeed."

Strictly speaking, Keflavik military base in Iceland is not a Nato facility but established under a bilateral agreement between the U.S. and Iceland. However, Mr. Tomasson made it clear that his Government regarded it as being there under Nato auspices.

Rest follow Lloyds and cut base rates

BY MICHAEL BLANDEN

THE COST of bank loans was cut generally by ½ per cent. yesterday as the rest of the big clearing banks followed the example set by Lloyds, and reduced their base rate to 10½ per cent. Lloyds reduced its rate a week ago, implying lending rates of 11½ per cent. for top-quality company customers.

Mr. Alex Dibbs, chief executive of National Westminster Bank, the first to make its announcement yesterday, said: "The *demand for advances* continues to be weak and this reduction in the cost of borrowing can only be a welcome development when there are other signs that we are beginning to move out of *recession.*"

With the banks' branch deposit rates also down to 6½ per cent., the changes again improve the competitiveness of the building societies in seeking deposits. The societies yesterday thought, however, that the move would be unlikely to lead to any cuts in their own rates, at present a recommended rate of 11 per cent. on mortgages and the equivalent of 10.77 per cent. gross to taxpayers on deposits.

Some of the banks are thought to have considered reducing their rates by more than ½ per cent. against the background of the downtrend in market rates in London and abroad. However, there is uncertainty over the timing of tax payments this year, with the new interest penalty for late payment expected to bring the tax season forward.

There were reports yesterday that some substantial funds were already being pulled out of the markets to pay tax bills, and rates at the short end of the market were relatively firm.

Nevertheless, hopes of further reductions in the level of U.K. short-term interest rates remained high, with Treasury bills trading at levels which if maintained would spark off another cut in the Bank of England's minimum lending rate on Friday.

Gilts firm

Following its exceptional strength last week the gilt-edged market remained firm, absorbing a good deal of profit-taking to end with gains of up to 1¼ after *rises earlier of* 1½. The Financial Times Government securities index rose 0.33 to 63.15, again a new 1975-76 peak.

The helpful downtrend in rates in other countries continued, with several *more lead*ing U.S. banks bringing their prime rates down from 7¼ to 7 per cent. The Swiss National Bank cut its bank and lombard rates by ½ per cent. to 2½ and 3½ per cent. respectively for exchange rate reasons and to adjust to international movements.

Spydar Securities: new criticism

BY MARGARET REID

THE SINGAPORE Stock *Exchange has made new critic*isms of Spydar Securities, the private investment company from which senior executives of Haw Par Brothers International and Slater Walker Securities are *alleged to have made £1m. profit* in 1972-73.

The Exchange's latest statement claims that Haw Par suffered a substantial loss as a result of Spydar's dealings.

Haw Par said that the Singapore Stock Exchange had called on it to explain three alleged breaches of its corporate disclosure policy involving the former Spydar company, which was wound up in 1973.

A circular to Haw Par shareholders said the Exchange's letter included the point that the existence of Spydar as a dealing company was never revealed in Haw Par's accounts or reports.

The circular also quoted the Exchange as saying that dealings in shares of Kwan Loong (Hong Kong) and King Fung shares, which resulted in a substantial loss to Haw Par in net tangible assets, were never disclosed to shareholders. Substantial monetary benefits accruing to former senior Haw Par Board members through Spydar were not made known either, it was added.

"The Exchange considers these non-disclosures to be in breach of its corporate disclo*sure policy* and accordingly calls upon your company to explain these non-disclosures," the letter said.

Talks were recently held in Singapore between the present *SWS chairman, Mr. Jimmy Gold*smith, and Haw Par. These negotiations are now continuing by telephone. In the discussions, Haw Par is strongly pressing that the £1m. profit made by the Spydar shareholders, including the former SWS chairman, Mr. Jim Slater, should be repaid.

The Exchange report on Spydar, published last month, alleged that it secretly generated profits of over HK$10m. (£1m.) in 1972 and 1973 for the personal benefit of six Haw Par and Slater Walker group senior directors, mainly at the expense of Haw Par subsidiary Grey Securities.

The bulk of the profits, it was said, came from dealings with Grey in the two Hong Kong companies in which SWS and Haw Par were also interested, King Fung Development and Kwan Loong (Hong Kong). The latter was afterwards renamed Slater Walker Securities (Hong Kong) and completely taken over by Haw Par in 1974.

The £14¼m. loan owed to SWS from Haw Par was related to Haw Par's takeover of SWS's 46 per cent. stake in SWS (HK) for £16m.

Banks study aid for Greek shipping group

BY STEWART FLEMING

SOME 50 European and U.S. banks who are owed about $310m. by the Greek Colocotronis shipping group are studying the terms of agreements designed to see the company through a liquidity crisis brought about by some of its commitments in the depressed tanker market.

The agreements are understood to contain proposals for a moratorium on the group's repayment of principal due to some of the banks.

It is believed, however, that in general the banks have not moved to the point where they are considering waiving interest payments—a critical psychological step for bank lending to the shipping market.

The directors of the company, built up by Mr. Minos Colocotronis, *broke their silence yester*day to announce that the terms of the support proposals involving the "restructuring" of the group's obligations had been worked out with its principal bankers.

"Facilities will be made available to ensure continued performance of the group's charter and trading obligations," they said.

The terms of the proposals which the banks are now studying are complex and vary among the banking syndicates.

There were suggestions yesterday that attempts would be made to bring the differing terms of the lending groups more closely *into line.*

The most commonly presented view is that the Colocotronis group has run into financial difficulty because of its commitment to two 380,000 deadweight ton supertankers which cost over $100m.

One of the ships is laid up and the other will shortly end a loss-making charter. The two ships, the Ioannis and the Vassiliki, are classed as ultra large crude carriers.

The bulk of the business of the 52-vessel fleet is said to be basically sound.

Bankers in London were suggesting that at this stage it would seem unlikely that they would incur losses on their loans.

Much, of course, depends on what view is taken of the timing *of a likely upturn in conditions* in the tanker business.

One of the objects of the negotiations, it was suggested, was to ensure that the executives who know the company should continue to manage it, *although no* doubt the banks will arrange to monitor its affairs closely.

Such a large number of banks spread so widely internationally — they include the European-American Bank, Deutsche Schiffahrtsbank of Bremen and Grindlays Bank — would be extremely reluctant to become directly involved in managing a tanker business.

Weather

U.K. TO-DAY

GENERALLY MILD. Dry, sunny intervals in Wales and all England except north-west. Cloudy, some rain, elsewhere.

London, E. Anglia, Midlands, E., S.E., Cent. S., Cent. N. and N.E. England, Channel Is.

Dry. Bright intervals. Wind W., fresh. Max. 11C (52F).

Wales, S.W. and N.W. England

Cloudy, mainly dry. Wind W., *fresh.* Max. 10C (50F).

Lakes, I. of Man, Borders, S.W. Scotland, N. Ireland

Cloudy. Occasional rain. Wind W., strong or gale. Max. 10C (50F).

Edinburgh, Dundee, Aberdeen, Glasgow, Highlands, Moray Firth.

Argyll, N.W. Scotland

Cloudy. Rain at times. Wind W., strong or gale. Max. 9C (48F).

N.E. Scotland, Orkney

Cloudy. Rain at times. Snow on hills. Wind variable, moderate. Near normal temps. Max. 4C (39F).

Shetland

Mostly cloudy. Snow at times. Wind light variable, becoming E., moderate. Rather cold. Max. 3C (37F).

Outlook: Rain in places at first. Becoming brighter from W. Near normal temperatures.

Lighting-up: London 16.46, Manchester 16.46, Glasgow 16.41, Belfast 16.55.

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BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	C	17	63	Madrid	S	14	57
Amsrdm.	C	10	50	Manchstr.	C	11	52
Athens	S	18	64	Melbourne	R	25	77
Bahrain	S	22	72	Mexico C.	S	18	64
Barcelona	S	13	55	Milan	Fg	2	36
Beirut	C	17	63	Montreal	Sn	−16	3
Belfast	D	9	48	Moscow	C	−18	0
Belgrado	S	10	50	Munich	R	7	45
Berlin	D	9	48	Newcastle	C	11	52
Birmghm.	C	11	52	New York	C	3	37
Bristol	C	10	50	Oslo	S	0	32
Brussels	F	10	50	Paris	C	10	50
Budapest	C	12	54	Perth	S	23	73
B. Aires	S	27	81	Prague	C	9	48
Cairo	S	18	64	Reykjavik	F	−12	10
Cardiff	C	10	50	Rio de J'o	S	30	86
Cologne	C	9	48	Rome	C	10	50
Copnhagn.	C	7	45	Singapore	C	26	79
Dublin	C	11	52	Stockholm	C	−4	25
Edinb'gh.	R	11	52	Strasb'rg	C	9	48
Frankfurt	D	9	48	Sydney	C	23	73
Geneva	C	5	41	Tehran	S	7	45
Glasgow	D	10	50	Tel Aviv	F	17	63
Helsinki	C	−4	25	Tokyo	S	7	45
H. Kong	S	15	59	Toronto	C	−10	14
Jo'burg	C	25	77	Vienna	F	13	55
Lisbon	S	13	55	Warsaw	R	7	45
London	S	13	55	Zurich	C	7	45
Luxembg.	C	6	43				

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	14	57	Istanbul	F	12	54
Algiers	D	10	50	Jersey	C	11	52
Biarritz	C	10	50	Las Plms.	F	18	64
Blackpool	C	9	48	Locarno	S	15	59
Bordeaux	C	10	50	Majorca	S	16	61
Boulogne	C	9	48	Malaga	S	14	57
Casablnca.	S	16	61	Malta	S	16	61
Cape Town	S	22	72	Nairobi	S	21	73
Corfu	S	15	59	Naples	F	14	57
Cyprus	R	16	61	Nice	S	15	59
Dubrovnik	F	14	57	Oporto	S	19	66
Faro	S	18	64	Rhodes	S	16	61
Florence	C	10	50	Salzburg	R	9	48
Gibraltar	S	15	59	Tangier	S	18	64
Guernsey	S	11	52	Tenerife	F	13	55
Innsbruck	C	5	41	Valencia	S	15	59
Inverness	R	6	43	Venice	F	6	43
I. of Man	C	10	50				

S—Sunny. F—Fair. C—Cloudy. Fg—Fog. D—Drizzle. R—Rain. Sn—Snow.

Continued from Page 1

Month to find Ulster formula

the share of that public expenditure to be allocated to Northern Ireland."

Earlier, Mr. Harold Wilson, the Prime Minister spelt out to the Commons some of the security decisions flowing from the decision to send the Spearhead Battalion and troops of the Special Air Service to South Armagh last week.

These moves — which were generally welcomed by the Conservative Opposition, although Mrs. Margaret Thatcher wondered whether there were enough extra troops in South Armagh—involved:

● Much more extensive use of personal identity checks.

● Power to question people within a mile of the border to be used more extensively.

● More house searches in the area.

● A *new information system* based on automatic processing to be introduced by the Army to handle existing records so that information about gunmen escaping to the other side of the border could be acted upon more quickly.

● More border roads could be closed if necessary.

● Measures for greater control *over vemelcit va heemo vbg be* over vehicle movement were being studied.

Our Belfast Correspondent writes: Leaders of the majority Unionist coalition warned last night that they would wreck the Government's attempts to find wider agreement in the Ulster Convention.

The Rev. Ian Paisley said Unionists would attend the recalled Convention next month, but would block moves to re-open discussions on power-sharing.

However, Mr. Glenn Barr, a close supporter of Mr. William Craig, the Vanguard leader who advocates a voluntary coalition, welcomed the Government's new moves.

Mr. Barr, who is chairman of the co-ordinating committee of the Protestant para-military *groups, said that he would be* calling on his supporters to give their full backing to a renewed search for agreement.

Mr. John Hume, deputy leader of the mainly Catholic Social Democratic and Labour Party, said that he had doubts, after the Loyalist threats, that agreement might come about.

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V G H

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